



**NOTICE OF ANNUAL GENERAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
with respect to the Annual General Meeting of Shareholders to be held on Thursday, February 22, 2024

Dated as of January 16, 2024

## NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the "**Meeting**") of the shareholders of Optimi Health Corp. ("**Optimi**" or the "**Corporation**") will be held as a virtual shareholders' meeting via Zoom webcast at <https://zoom.us/join>, and Zoom audio conference at 1.778.907.2071, Meeting ID: 848 3339 9845 and Passcode: 185611, on Thursday, February 22, 2024 at 10:00 AM (Pacific), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended September 30, 2023 and the report of the auditors thereon.
2. to fix the number of directors of the Corporation to be elected at the Meeting at five (5);
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint Smythe LLP, Chartered Professional Accountants, as auditor to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors;
5. to consider and, if deemed advisable, pass, with or without amendment, an ordinary resolution, the full text of which is set out in the accompanying management information circular (the "**Information Circular**"), ratifying, adopting and re-approving the 15% rolling equity incentive plan of the Corporation and authorizing the Corporation's board of directors to make any amendments thereto that may be required for the purpose of obtaining the approval of applicable securities regulatory authorities or stock exchanges; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Information Circular.

Shareholders are requested to date, sign and return the accompanying instrument of proxy or appropriate form of proxy, in accordance with the instructions set forth in the accompanying Information Circular. An instrument of proxy will not be valid unless it is deposited at the offices of Endeavor Trust Corporation ("**Endeavor Trust**"), 702 - 777 Hornby Street, Vancouver, B.C., V6Z 1S4, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or adjournment or postponements thereof at which the proxy is to be used.

The Corporation has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via live webcast and audio conference, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors and management of the Corporation as well as other shareholders. Shareholders will not be able to attend the Meeting in person, we strongly encourage you to vote by proxy in advance of the Meeting. Registered shareholders and duly appointed proxyholders will be able to vote at the Meeting, in accordance with instructions provided by the Chair at the Meeting, if such registered shareholders and duly appointed proxyholders attend via webcast so identity can be verified. Registered shareholders and duly appointed proxyholders participating via webcast will be asked to identify themselves before the beginning of the Meeting. Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee, or other intermediary) who have not duly appointed themselves as proxyholders will be able to attend, but will not be able to vote at the Meeting.

Only shareholders of record as at the close of business on January 16, 2024 will be entitled to receive notice of and vote for the Meeting.

**DATED** at Vancouver, British Columbia as of January 16, 2024.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"/s/ JJ Wilson"*

JJ Wilson  
Chair of the Board

## OPTIMI HEALTH CORP.

### Management Information Circular

Unless otherwise stated, information contained herein is given as of January 16, 2024. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

### INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

#### Solicitation of Proxies

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by the management of Optimi Health Corp. ("**Optimi**" or the "**Corporation**") of proxies to be voted at the annual general meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (each a "**Common Share**") of the Corporation to be held as a virtual shareholders' meeting via Zoom webcast at <https://zoom.us/join>, and Zoom audio conference at 1.778.907.2071, Meeting ID: 848 3339 9845 and Passcode: 185611, on Thursday, February 22, 2024 at 10:00 AM (Pacific), for the purposes set forth in the notice of annual general meeting (the "**Notice**") accompanying the Information Circular.

It is anticipated that the Notice, Information Circular, form of proxy and request for voting instructions will be first mailed to shareholders on or about February 1, 2024. Unless otherwise stated, the information contained in this Information Circular is given as at January 16, 2024.

The Corporation is sending proxy-related materials directly to non-objecting beneficial owners pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"). The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-107 *Request for Voting Instructions Made by Intermediary*. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these 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 these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The head office of the Corporation is located at 600 - 21 Water Street, Vancouver, B.C., V6B 1A1 and the registered and records office of the Corporation is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, B.C., V0N 1T0.

The solicitation of proxies by management of the Corporation will be made primarily by mail but solicitation may be made by telephone, internet, facsimile or oral communication with the cost of such solicitation to be borne by the Corporation. **While no arrangements have been made to date, the Corporation may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Corporation.**

#### Appointment of Proxyholders

Accompanying this Information Circular is an instrument of proxy for use at the Meeting. Shareholders are strongly encouraged to vote by proxy in advance of the Meeting, those who wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be submitted so as to reach or be deposited at the offices of Endeavor Trust Corporation ("Endeavor Trust") (Attention: Proxy Department) at 702 - 777 Hornby Street, Vancouver, B.C., V6Z 1S4 no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.** An instrument of proxy may be mailed to 702 - 777 Hornby Street, Vancouver, B.C., V6Z 1S4, faxed to 1-604-559-8908, emailed to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or submitted online per the directions listed on the instrument of proxy or voter information card. If your vote is submitted by fax, email or online, do not mail back the proxy.

The persons designated in the instrument of proxy are officers and directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the

name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

### **Signing of Proxy**

The instrument of proxy must be signed by a Shareholder or a Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

### **Revocability of Proxies**

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending the Meeting and voting such securities; or (ii) in any other manner permitted by law.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Information Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on, other than the election of directors.

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

#### **Voting Shares, Record Date and Principal Shareholders**

As at the date of this Information Circular, the authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. The record date for the determination of Shareholders entitled to receive notice of, and

to vote at, the Meeting is January 16, 2024 (the "**Record Date**"). As at the Record Date, there were 87,227,566 Common Shares issued and outstanding as fully paid and non-assessable, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, there were no beneficial owners or persons exercising control or direction over Common Shares carrying more than 10% of the outstanding voting rights as of the Record Date.

### **Common Shares**

The holders of Common Shares are entitled to notice of and to vote at all annual general meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") declares and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares.

### **Voting of Common Shares – General**

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

### **Voting of Common Shares – Advice to Non-Registered Holders**

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- a) In the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans; or
- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "**CDS**").

In accordance with the requirements of NI 54-101, the Corporation will distributed copies of the Notice, Information Circular and the instrument of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service corporation (such as Broadridge Financial Solutions, Inc. ("**Broadridge**")) to forward Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will:

- a) Have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through internet based voting procedures; or
- b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this

case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Endeavor Trust at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

#### **Voting of Common Shares – Advice to US Beneficial Shareholders**

If you are a beneficial shareholder located in the United States and wish to vote at the Meeting, in addition to the steps described above, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Endeavor Trust. Requests for registration from beneficial shareholders located in the United States that wish to vote at the Meeting must be received by 10:00 AM (Pacific Standard Time) on January 5, 2023.

### **STATEMENT OF EXECUTIVE COMPENSATION**

In accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, the Canadian Securities Administrators have issued guidelines on executive compensation disclosure for venture issuers as set out in Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*. The objective of the disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. The disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation and will help Shareholders understand how decisions about executive compensation are made. The Corporation's approach to executive compensation is set forth below.

#### **Director and Named Executive Officer Compensation**

Executive compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEO's**").

#### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended September 30, 2022 and 2023.

**Table of compensation excluding compensation securities**

| <b>Name and position <sup>(1)</sup></b>   | <b>Year</b> | <b>Salary, consulting fee, retainer or commission (\$)<sup>(2)</sup></b> | <b>Bonus (\$)</b> | <b>Committee or meeting fees (\$)<sup>(2)</sup></b> | <b>Value of perquisites (\$)<sup>(3)</sup></b> | <b>Value of all other compensation (\$)<sup>(4)</sup></b> | <b>Total compensation (\$)</b> |
|---|-------------|--|-------------------|---|--|---|--------------------------------|
| CIPRICK, William<br><i>Chief Executive Officer</i>  | 2023        | 350,000  | Nil               | Nil   | Nil  | Nil   | 350,000                        |
|   | 2022        | 350,000  | Nil               | Nil   | Nil  | Nil   | 350,000                        |
| SAFARIK, Jacob <sup>(8)</sup><br><i>Chief Financial Officer and Director</i>                        | 2023        | 131,250  | Nil               | 4,000   | Nil  | Nil   | 134,250                        |
|   | 2022        | 75,000   | Nil               | 4,000   | Nil  | Nil   | 79,000                         |
| STIER, Michael <sup>(5)</sup><br><i>Director, and former President, CEO and Corporate Secretary</i> | 2023        | Nil  | Nil               | Nil   | Nil  | Nil   | Nil                            |
|   | 2022        | 36,000   | Nil               | 2,000   | Nil  | Nil   | 38,000                         |
| SAFARIK, Bryan<br><i>Chief Operating Officer</i>  | 2023        | 131,250  | Nil               | Nil   | Nil  | Nil   | 131,250                        |
|   | 2022        | 75,000   | Nil               | Nil   | Nil  | Nil   | 75,000                         |
| STEVENS, Dane <sup>(6)</sup><br><i>Chief Marketing Officer</i>                                      | 2023        | 75,000   | Nil               | 4,000   | Nil  | Nil   | 79,000                         |
|   | 2022        | 75,000   | Nil               | 2,000   | Nil  | Nil   | 77,000                         |
| WILSON, John James <sup>(7)</sup><br><i>Non-Executive Chair of the Board, Independent Director</i>  | 2023        | 102,500  | Nil               | 6,000   | Nil  | Nil   | 108,500                        |
|   | 2022        | 90,000   | Nil               | 9,000   | Nil  | Nil   | 99,000                         |
| SCHINTLER, Jonathan<br><i>Independent Director</i>  | 2023        | 2023   | 36,000            | Nil   | 7,000  | Nil   | Nil                            |
|   | 2022        | 36,000   | Nil               | 9,000   | Nil  | Nil   | 45,000                         |

**Notes**

1. If an individual is an NEO and a director, both positions have been listed.
2. The Corporation pays its independent directors a retainer of \$36,000 per year; an additional \$129,000 per year retainer to the Non-Executive Chair of the Board; and all members of each committee of the Board meetings fees of \$1,000 per meeting.
3. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
4. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.
5. Mr. Stier resigned as Corporate Secretary April 14, 2021, as President and Chief Executive Officer on September 7, 2021 and did not stand for re-election as a director at the annual general meeting of shareholders held January 9, 2023. The compensation noted was paid to AMBE Holdings Ltd. ("**AMBE Holdings**"), a company controlled by Mr. Stier
6. The compensation noted was paid to Cathay Visions Enterprises Ltd., a company controlled by and beneficially held by Mr. Stevens.
7. The compensation noted was paid to Catcher Investments Limited, a company controlled by and beneficially held by Mr. Wilson.
8. Mr. Jacob Safarik was appointed to the Board on August 25, 2022.

**External Management Companies**

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Corporation, or that provide the Corporation's executive management services and allocate compensation paid to any Name Executive Officer or director.

## Stock Options and Other Compensation Securities

There were no compensation securities granted or issued by the Company, or any subsidiary thereof, to any director or Named Executive Officer in the most recently completed financial year ended September 30, 2023, for services provided or to be provided, directly or indirectly to the Company or any subsidiary thereof.

### Exercise of Compensation Securities by Directors and NEO's

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the recently completed financial year ended September 30, 2023.

| Exercise of Compensation Securities by Directors and NEOs                        |                               |   |                                  |                   |   |  |   |
|--|-------------------------------|---|----------------------------------|-------------------|---|--|---|
| Name and Position  | Type of compensation Security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise  | Closing price of security or underlying security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date <sup>(1)</sup> |
| STEVENS, Dane<br><i>Chief Marketing Officer and Director</i>                     | Restricted Share Rights       | 15,750                                    | N/A <sup>(2)</sup>               | November 6, 2022  | \$0.30  | Nil <sup>(3)</sup>   | \$4,725                                     |
|  |                               | 15,750                                    | N/A <sup>(2)</sup>               | May 3, 2023       | \$0.26  | Nil <sup>(3)</sup>   | \$4,095                                     |
| SAFARIK, Jacob<br><i>Chief Financial Officer and Director</i>                    | Restricted Share Rights       | 15,750                                    | N/A <sup>(2)</sup>               | November 6, 2022  | \$0.30  | Nil <sup>(3)</sup>   | \$4,725                                     |
|  |                               | 15,750                                    | N/A <sup>(2)</sup>               | May 3, 2023       | \$0.26  | Nil <sup>(3)</sup>   | \$4,095                                     |
| SAFARIK, Bryan<br><i>Director and Chief Operating Officer</i>                    | Restricted Share Rights       | 15,750                                    | N/A <sup>(2)</sup>               | November 6, 2022  | \$0.30  | Nil <sup>(3)</sup>   | \$4,725                                     |
|  |                               | 15,750                                    | N/A <sup>(2)</sup>               | May 3, 2023       | \$0.26  | Nil <sup>(3)</sup>   | \$4,095                                     |
| STIER, Michael<br><i>Former Director, President, CEO and Corporate Secretary</i> | Restricted Share Rights       | 75,000                                    | N/A <sup>(2)</sup>               | February 23, 2023 | \$0.22  | Nil <sup>(3)</sup>   | \$16,500                                    |
| WILSON, John James<br><i>Chair of the Board, Independent Director</i>            | Restricted Share Rights       | 15,750                                    | N/A <sup>(2)</sup>               | November 6, 2022  | \$0.30  | Nil <sup>(3)</sup>   | \$4,725                                     |
|  |                               | 15,750                                    | N/A <sup>(2)</sup>               | May 3, 2023       | \$0.26  | Nil <sup>(3)</sup>   | \$4,095                                     |
| SCHINTLER, Jonathan<br><i>Independent Director</i>                               | Restricted Share Rights       | 15,750                                    | N/A <sup>(2)</sup>               | November 6, 2022  | \$0.30  | Nil <sup>(3)</sup>   | \$4,725                                     |
|  |                               | 15,750                                    | N/A <sup>(2)</sup>               | May 3, 2023       | \$0.26  | Nil <sup>(3)</sup>   | \$4,095                                     |

#### Notes:

- For the purposes of this column, the number in the column entitled "Number of underlying securities exercised" is multiplied by the number in the column entitled "Difference between exercise price and closing price on date of exercise".
- Pricing of Common Shares determined on date issuance is satisfied.
- On vesting, restricted share rights are settled by the issuance of Common Shares, at a deemed price per share set as the closing price of the Common Shares on the stock exchange on which the Common Shares are listed for trading, on the day prior to issuance.

### Stock Option Plans and Other Incentive Plans

The following is a summary of the Corporation's equity incentive plan, qualified in its entirety by the full text of which is attached hereto as Schedule "B" (the "**Equity Plan**"), which is the only incentive plan in place by the Corporation. The Equity Plan was adopted and approved by the Shareholders on October 9, 2020, and ratified, adopted and re-approved at the annual general meetings held January 9, 2023 and February 24, 2022. The aggregate number of Common Shares that may be subject to issuance under the Equity Plan, together with any other securities-based compensation arrangements of the Corporation, is not to exceed 15% of the Corporation's issued and outstanding share capital from time to time.

The Equity Plan provides for the grant to eligible directors, officers, employees and consultants, of stock options (each a "**Stock Option**" or "**Option**") and restricted share rights (each an "**RSR**"). The Equity Plan also provides for the grant to eligible



directors of deferred share units (“**DSU**”) which the directors are entitled to redeem for 90 days following retirement or termination from the Board.

#### *Stock Options*

The Equity Plan authorizes the Board to grant Stock Options. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of Options granted from time to time pursuant to the Equity Plan, are determined by the Board at the time of the grant, subject to the defined parameters of the Equity Plan. The date of grant for the Options is to be the date such grant was approved by the Board. The exercise price of any Option cannot be less than the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Option; and (b) the date of grant of the Option (the “**Fair Market Value**”). Options are generally exercisable for a period of five years from the date the Option is granted or such greater or lesser period as determined by the Board. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options is determined by the Board. Failing a specific vesting determination by the Board, Options automatically become exercisable incrementally over a period of eighteen months from the date of grant, as to: (i) 25% of the total number of shares under Option immediately upon the date of grant; and (ii) at each six-month interval thereafter, an additional 25% of the total number of shares under Option such that after the eighteenth month of the Option period, 100% of the Options will be exercisable. The terms of a Stock Option are not to be amended once issued and the expiry date of a Stock Option is to be no more than 10 years from the date of grant of such Option.

#### *RSR*

The Equity Plan authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible director, officer, consultant or employee. Each RSR provides the recipient with the right to receive Common Shares as a discretionary payment in consideration of past services or as an incentive for future services, subject to the Equity Plan and with such additional provisions and restrictions as the Board may determine. Each RSR grant is to be evidenced by a restricted share right grant letter which is subject to the terms of the Equity Plan and any other terms and conditions which the Board deems appropriate. Concurrent with the granting of the RSR, the Board determines the period of time during which the RSR is not vested and the holder of such RSR remains ineligible to receive Common Shares. Such period of time may be reduced or eliminated from time to time for any reason as determined by the Board. Once the RSR vests, the RSR is automatically settled through the issuance of an equivalent number of underlying Common Shares as RSRs held. Participants who are resident in Canada for the purposes of the *Income Tax Act* (Canada) may elect to defer some or all of any part of the Common Share grant until one or more later dates. In the event the participant retires or is terminated during the vesting period, any RSR held by the participant is terminated immediately, provided however that the Board shall have the absolute discretion to accelerate the vesting date. In the event of death or total disability, the vesting period shall accelerate and the Common Shares underlying the RSRs shall be issued.

#### *DSU*

The Equity Plan authorizes the Board to grant DSUs, in its sole and absolute discretion in a lump sum amount or on regular intervals to eligible directors. Each DSU grant is to be evidenced by a DSU grant letter which is subject to the terms of the Equity Plan and any other terms and conditions which the Board deems appropriate. The DSUs held by each eligible director who is not a U.S. taxpayer will be redeemed automatically and with no further action by the eligible director on the 20<sup>th</sup> business day following the date such director ceases to hold any directorship. The DSUs held by any eligible directors who are U.S. taxpayers will be automatically redeemed with no further action by such director on the date that is 6 months following the date such director ceases to hold any directorship, or if earlier, upon such director’s death. Upon redemption, the director is entitled to receive (subject to any share issuance limits in the Equity Plan), the number of Common Shares equal to the number of DSUs in the director’s account. If the director ceases to hold office during a year where DSUs have been granted in advanced of being earned and they have not held office for the entire year, the director will only be entitled to a pro-rated issuance of shares.

## **Employment, Consulting and Management Agreements**

The following is a summary of the Corporation's employment, consulting and management agreements with its directors and Named Executive Officers during the most recently completed financial year.

### ***Compensation of Mr. Bill Ciprick, Chief Executive Officer***

The Corporation entered into an employment agreement with Mr. William (Bill) Ciprick dated as of August 30, 2021, pursuant to which Mr. Ciprick provides his services as Chief Executive Officer of the Corporation (the "**Ciprick Agreement**"). In consideration for his services, Mr. Ciprick receives an annual salary of \$350,000; received a bonus on signing of the Ciprick Agreement of \$100,000, less applicable deductions and withholding taxes, settled by the issuance of 73,077 Common Shares at a deemed price per share of \$0.65 on September 7, 2021; received relocation expenses of up to \$50,000; is eligible for an annual performance bonus up to his annual salary, payable in either cash or equity, or any combination thereof, at the discretion of the Board; participation in the Equity Plan, including an initial grant of 1,000,000 Stock Options exercisable at \$1.50 until August 31, 2026; reimbursement of professional fees, dues and reasonable business expenses; entitled to take vacation at his discretion, acting reasonably with consideration to the Corporation's business needs; and participation in the Corporation's insured life and health benefits plan. The Corporation may terminate the Ciprick Agreement without any notice for just cause. The Corporation may terminate Mr. Ciprick's employment without just cause by providing Mr. Ciprick, for a period of time equal to twelve (12) months, plus one additional month for each completed year of service by Mr. Ciprick (the "**Notice Period**"), with (i) his annual salary; and (ii) the historical average of annual payments received for his annual performance bonus during his employment with the Corporation, pro-rated for the Notice Period, in a lump sum. Mr. Ciprick may resign at any time by providing the Corporation with three (3) months' written notice of resignation, in which case the Corporation may elect to direct Mr. Ciprick not to attend at work for any portion of the notice period, in which case the Company's sole obligation will be to continue Mr. Ciprick's salary during the shorter of the balance of the notice period provided by Mr. Ciprick and the minimum notice of termination required by the applicable employment standards legislation. In the event of a change of control of the Corporation, if within 30 days of such event occurring, the Corporation terminates Mr. Ciprick's employment without just cause or Mr. Ciprick provides the Corporation with written notice indicating the reason for his resignation is due to the change of control, Mr. Ciprick is entitled to receive pay in lieu of notice as if Mr. Ciprick's employment were terminated by the Corporation without just cause.

### ***Compensation of Mr. Jacob Safarik, Chief Financial Officer and Director***

The Corporation entered into an employment agreement with Jacob Safarik dated as of July 2, 2021, confirming the compensation arrangement effective as of April 1, 2021, amended August 1, 2023, pursuant to which Mr. Safarik provides his services as Chief Financial Officer of the Corporation (the "**Jacob Safarik Agreement**"). In consideration for his services, Mr. Safarik receives an annual salary of \$150,000; is eligible for bonus or incentive payments at the discretion of the Board; participation in the Equity Plan; reimbursement of professional fees, dues and reasonable business expenses; 4 weeks vacation each calendar year; and reimbursement of up to 50% of insured life and health benefits, such benefits to be reasonable and to commensurate with market comparatives for his position. The Corporation may terminate the Jacob Safarik Agreement at any time and without any notice of termination for just cause. The Corporation may terminate the Jacob Safarik Agreement without just cause by providing the greater of: (i) the minimum amount of notice of termination or pay in lieu of notice of termination as required by the applicable employment standards legislation; or (ii) three (3) months of pay in lieu of notice of termination. Mr. Safarik may resign his employment at any time by providing the Corporation with two (2) weeks written notice of resignation, in which case the Corporation may elect, in its sole discretion, to direct Mr. Safarik not to attend at work for any portion of the notice period in which case the Corporation's sole obligation will be to continue Mr. Safarik's salary during the shorter of the balance of the notice period provided by Mr. Safarik and the minimum notice of termination required by the applicable employment standards legislation.

### ***Compensation of Mr. Dane Stevens, Chief Marketing Officer and Director***

The Corporation has an arrangement with Mr. Dane Stevens with an effective date of April 1, 2021, as approved by the Board May 6, 2021 (the "**Stevens Agreement**"), pursuant to which Mr. Stevens provides his services to the Corporation as Chief Marketing Officer. In consideration for his services, Mr. Stevens receives an annual salary of \$75,000.

### ***Compensation of Mr. Bryan Safarik, Chief Operating Officer and Director***

The Corporation entered into an employment agreement with Bryan Safarik dated as of July 2, 2021, confirming the compensation arrangement effective as of April 1, 2021, amended August 1, 2023, pursuant to which Mr. Safarik provides his services as Chief Operating Officer of the Corporation (the “**Bryan Safarik Agreement**”). In consideration for his services, Mr. Safarik receives an annual salary of \$150,000; is eligible for bonus or incentive payments at the discretion of the Board; participation in the Equity Plan; reimbursement of professional fees, dues and reasonable business expenses; 4 weeks vacation each calendar year; and reimbursement of up to 50% of insured life and health benefits, such benefits to be reasonable and to commensurate with market comparatives for his position. The Corporation may terminate the Bryan Safarik Agreement at any time and without any notice of termination for just cause. The Corporation may terminate the Bryan Safarik Agreement without just cause by providing the greater of: (i) the minimum amount of notice of termination or pay in lieu of notice of termination as required by the applicable employment standards legislation; or (ii) three (3) months of pay in lieu of notice of termination. Mr. Safarik may resign his employment at any time by providing the Corporation with two (2) weeks written notice of resignation, in which case the Corporation may elect, in its sole discretion, to direct Mr. Safarik not to attend at work for any portion of the notice period in which case the Corporation’s sole obligation will be to continue Mr. Safarik’s salary during the shorter of the balance of the notice period provided by Mr. Safarik and the minimum notice of termination required by the applicable employment standards legislation.

### ***Compensation of Mr. Mike Stier, Former Director, President and Chief Executive Officer***

The Corporation entered into a consulting agreement dated as of September 1, 2020, amended on June 30, 2021, with AMBE Holdings pursuant to which Mr. Mike Stier provided services to the Corporation (the “**Stier Agreement**”). In consideration for the services provided, the Corporation paid AMBE Holdings a monthly fee of \$4,000 plus any applicable taxes until March 1, 2021, after which the monthly fee increased to \$5,000 per month until July 1, 2021, after which it was increased to \$6,000 per month, plus any applicable taxes. The Corporation terminated the Stier Agreement without cause by giving thirty (30) days’ written notice on February 22, 2022.

### ***Compensation of Mr. Jonathan Schintler, Director***

The Corporation entered into a consulting agreement dated as of October 7, 2020, pursuant to which Mr. Jon Schintler provides services to the Corporation (the “**Schintler Agreement**”). In consideration for his services, the Corporation paid Mr. Schintler a monthly fee of \$2,500 through February 2021, after which the monthly fee increased to \$3,000.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### **Director Compensation**

The Corporation pays its independent directors a cash retainer of \$36,000 per year, with an additional cash retainer of \$129,000 per year to the Non-Executive Chair of the Board. In addition, the members of each committee of the Board receive a cash fee of \$1,000 per meeting. The independent directors are also eligible for equity-based compensation at the discretion of the Board on recommendation from the Compensation Committee, in accordance with the terms and conditions of the Equity Plan, applicable securities regulatory authorities and stock exchanges policies.

### **Named Executive Officer Compensation**

The Compensation Committee assists the Board of Directors in discharging its responsibilities with respect to setting director and senior executive compensation and assessing and making recommendations to the Board regarding certain compensation related matters as delegated by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high caliber to serve the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align the interests of the Named Executive Officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation’s business continues to grow and develop.

The Board of Directors sets the compensation received by the Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development, asset bases, number of employees and market capitalization. The Board has considered a number of peer group companies active in the mushroom, indoor cultivation and consumer products groups in determining compensation, including Numinus Wellness Inc., Mind Cure Health Inc. and Havn Life.

The Corporation compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Corporation. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders: First, Named Executive Officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate; second, the Board of Directors awards Named Executive Officers long term incentives in the form of stock options, if appropriate. Finally and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value as well as in contingent and extenuating circumstances, the Corporation determines the amount to be paid for each significant element of compensation, based on objective, identifiable measures or upon a subjective decision by the independent members of the Board.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the equity incentive grants to be made pursuant to the Equity Plan. Previous grants of equity incentives are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors has not set any performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its Named Executive Officers, and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

Neither Named Executive Officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered as an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation's financial resources and prospects.

#### **Pension Disclosure**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement of its directors or Named Executive Officers.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year ended September 30, 2023 with respect to the Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

| Plan Category  | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted-average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |
|--|--|--|--|
| Equity compensation plans approved by securityholders <sup>(1)</sup> | 4,228,250 <sup>(2)</sup>   | \$1.30 <sup>(3)</sup>  | 4,228,250  |
| Equity compensation plans not approved by securityholders            | -  | -  | -  |
| <b>Total</b>   | <b>4,228,250</b>   | <b>\$1.30</b>  | <b>4,228,250</b>   |

**Notes:**

1. The Equity Plan provides that the aggregate number of securities reserved for issuance under the Equity Plan may not exceed 15% of the issued and outstanding shares of the Corporation at the time of granting. As of the financial year ended September 30, 2023, there were 87,038,441 Common Shares issued and outstanding with the result that 13,055,766 were reserved for issuance under the Equity Plan. As at the Record Date, there were 87,227,566 Common Shares issued and outstanding, with 13,084,135 reserved under the Equity Plan and 4,189,125 securities-based compensation outstanding, with the result that 9,034,135 securities-based compensation was available to the Corporation to be granted.
2. Comprised of 3,950,000 Stock Options and 278,250 RSRs. No RSRs were granted and 353,250 vested and Common Shares issued, as of the financial year ended September 30, 2023.
3. Representative of Stock Options only, of which there were 3,950,000 issued and outstanding as of the financial year ended September 30, 2023.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee, is or has been indebted to the Corporation at any time during the last completed financial year.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, to the knowledge of management of the Corporation, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

## CORPORATE GOVERNANCE

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Canadian Securities Administrators have issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2. The disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a corporation, their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices. The Corporation's approach to corporate governance is set forth below.

### Board of Directors

In determining whether a director is independent, the Corporation primarily considers whether the director has a relationship which could, or could be perceived to, interfere with the director's exercise of independent judgement. For the purposes of this disclosure, a director is independent if he or she would be independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*.

The following table sets forth the nominees for appointment to the Board, their independence or non-independence and the basis for that determination:

| Name                | Independent | Basis for Determination of Independence <sup>(1)</sup> |
|---------------------|-------------|--|
| SAFARIK, Bryan      | No          | Material relationship - Chief Operating Officer        |
| SAFARIK, Jacob      | No          | Material relationship - Chief Financial Officer        |
| STEVENS, Dane       | No          | Material relationship - Chief Marketing Officer        |
| WILSON, John James  | Yes         | No material relationship                               |
| SCHINTLER, Jonathan | Yes         | No material relationship                               |

#### Notes:

1. Individuals who are, or have been within the last three years, an employee or executive officer of the Corporation, are considered to have, or have had, a material relationship with the Corporation, therefore these individuals do not satisfy the meaning of independence as set forth in section 1.4 of National Instrument 52-110 *Audit Committees*.

### Directorships in Other Reporting Issuers

No current or proposed directors of the Corporation are currently directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction.

### Orientation and Continuing Education

The Corporation has not developed an official orientation or training program for new directors, but they are encouraged to communicate with other directors, officers and employees as needed. New directors will have the opportunity to become familiar with the Corporation with full access to records, meeting with legal counsel, the auditors and various technical consultants. Orientation activities are tailored to the needs and expertise of each director and the overall needs of the Board. The Corporation does not have a formal program of continuing education for its directors but encourages its directors to attend continuing education seminars at the Corporation's expense, subject to prior approval by management of the Corporation. The Corporation also liaises with its legal counsel, auditors and other advisors to keep apprised of any developments and material changes to corporate governance and reporting policies affecting the Corporation and makes the directors aware of any such developments and changes.

## Ethical Business Conduct

The Board encourages, monitors and promotes a culture of ethical business conduct of the Corporation and ensures that the Board complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

The Corporation currently has the following policies in place for its directors, officers, employees and consultants:

- Board Mandate;
- Code of Business Conduct and Ethics;
- Corporate Disclosure Policy;
- Insider Trading Policy; and
- Social Media Policy.

Shareholders may contact the Corporation to request copies of the above noted policies via email at [leah@optimihealth.ca](mailto:leah@optimihealth.ca).

## Nomination of Directors

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position, either due to a vacancy or as required to carry out the Board's duties effectively and maintain a breadth of experience, the Board requests that current directors put forward potential candidates for consideration.

## Compensation

The Compensation Committee reviews the compensation payable to the Named Executive Officers on an annual basis, or periodically if needed, and makes recommendations to the Board of Directors. The Board has the ability to adjust and approve such compensation.

The following table sets forth the members of the Compensation Committee as of the Record Date, their independence or non-independence and the basis for that determination:

| Name                        | Independent <sup>(1)</sup>                      |
|-----------------------------|---|
| WILSON, John James          | Yes   |
| SCHINTLER, Jonathan - Chair | Yes   |
| SAFARIK, Jacob              | Material relationship - Chief Financial Officer |

**Note:**

1. Individuals who are, or have been within the last three years, an employee or executive officer of the Corporation, are considered to have or have had, a material relationship with the Corporation, therefore these individuals do not satisfy the meaning of independence as set forth in section 1.4 of National Instrument 52-110 *Audit Committees*.

Market comparisons, as well as evaluation of similar positions in different industries in the same geography, along with individuals experience and the diversity such individual brings to the Corporation's Board, are the criteria used in determining compensation.

## **Other Board Committees**

The Board does not currently have any committees other than the Audit Committee and Compensation Committee.

## **Assessments**

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its Audit Committee and its Compensation Committee, including reviewing the Board's decision-making processes and the quality of information provided by management.

## ***Diversity and Inclusion***

The Corporation has not adopted a written policy relating to the identification and nomination of directors or members of senior management that are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities or members of visible minorities. The Board generally identifies, evaluates and recommends candidates to become members of the Board or members of senior management with the goal of creating a Board and members of senior management team that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, technical, legal, financial, geographic and other specialized expertise.

The composition of the Board and senior management is primarily a question of experience and expertise brought by each individual. The Board, when searching for candidates, also takes diversity into account. Although the Board does not have a formal diversity policy, it considers diversity in its broadest sense when evaluating candidates, including persons diverse in gender, ethnicity, experience, and background. The Board considers all factors it deems relevant in the process of identifying, evaluating, and recommending candidates for the Board and senior management and does not have a formal requirement to consider the level of representation of women, Indigenous peoples, persons with disabilities or members of visible minorities.

Of the Corporation's current directors, none (0%) are women, and none (0%) identify as being an Indigenous person, persons with disabilities, or a member of a visible minority. Of the Corporation's current members of senior management, none (0%) are women, and none (0%) identify as being an Indigenous person, persons with disabilities or a member of a visible minority.

## **AUDIT COMMITTEE**

In accordance with the requirements of National Instrument 52-110 *Audit Committees*, the Canadian Securities Administrators have issued guidelines on annual disclosure for venture issuers, as set out in Form 52-110F2, concerning the constitution of the Corporation's Audit Committee and the relationship with its independent auditors. The Corporation's approach to its Audit Committee is set forth below.

### **Audit Committee Charter**

The charter of the Corporation's Audit Committee is attached to this Information Circular as Schedule "A".



## Composition of the Audit Committee

The following table sets forth the members of the Audit Committee as of the Record Date, their independence or non-independence and the basis for that determination, and whether or not they are financially literate:

| Name                | Independent <sup>(1)</sup>   | Financially Literate <sup>(2)</sup> |
|---------------------|------------------------------|-------------------------------------|
| WILSON, John James  | Yes                          | Yes                                 |
| SCHINTLER, Jonathan | Yes                          | Yes                                 |
| STEVENS, Dane       | No – Chief Marketing Officer | Yes                                 |

### Notes:

1. Individuals who are, or have been within the last three years, an employee or executive officer of the Corporation, are considered to have or have had, a material relationship with the Corporation, therefore these individuals do not satisfy the meaning of independence as set forth in section 1.4 of National Instrument 52-110 *Audit Committees*.
2. Individuals are financially literate if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

## Relevant Education and Experience

Each member of the Audit Committee brings unique education and experience relevant to the performance of their responsibilities and duties as an Audit Committee member. This includes, but is not limited to, an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements covering a breadth and level of complexity relative to the Corporation or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

The following sets forth the relevant education and experience of the members of the Audit Committee:

| Name               | Education                             | Experience  |
|--------------------|---------------------------------------|---|
| WILSON, John James | Graduate from Harvard Business School | Mr. Wilson is the current Chief Executive Officer and Co-Founder of Ride Cycle Club, an indoor cycling studio with locations in Toronto and Vancouver, and a Partner at Very Polite Agency, an international integrated communications and creative agency, headquartered in Vancouver, BC. Previous experience includes leading the international expansion of the apparel brand Kit and Ace, in addition to developing the businesses' brand, and e-commerce and retail platforms. Mr. Wilson now focuses on strategic growth initiatives and development for his operating companies, in addition to independent strategic investments and philanthropy. |

| Name                | Education   | Experience   |
|---------------------|---|--|
| SCHINTLER, Jonathan | Business degree from the University of Iowa and was awarded the CFA designation in 2007 | Mr. Schintler has spent the majority of his career working in the clean energy industry. He has held leadership and executive positions running and leading over \$4 billion in project transactions. Mr. Schintler specializes in project development and capital market financings and has executed on dozens of wind, solar, hydro, natural gas and geothermal generation projects in North America and internationally. He played a lead role in selling Alterra Power Corporation in 2018, a transaction valued at \$1.1 billion. |
| STEVENS, Dane       | Graduate of the Canadian Institute of Gemmology in 2007                                 | Mr. Stevens is the founder of multiple successful wholesale and direct-to-consumer jewellery businesses, as well as Cavalier Jewellers. He developed an integral understanding of effective sourcing and reliable distribution by vertically integrating all areas of the jewellery supply chain. Mr. Stevens' experience in digitalizing, modernizing, and operating in today's retail landscape will help the Company grow and prosper in its industry.  |

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on:

- (a) The exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*);
- (b) the exemption in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in Subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in Subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*).

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as described below under the heading "External Auditor Service Fees (By Category)"; however, the Audit Committee pre-approves all non-audit services provided by the External Auditor, as described in the mandate of the Audit Committee.

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit, audit-related, tax and all other fees are as follows:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|-----------------------|------------|--------------------|----------|----------------|
| 2023                  | \$34,000   | \$34,500           | \$3,500  | Nil            |
| 2022                  | \$22,000   | \$34,000           | \$3,500  | Nil            |

### Exemption

As a “venture issuer”, the Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

### MANAGEMENT CONTRACTS

Other than as set forth in this Information Circular, at no time since the start of the Corporation’s most recently completed financial year were any management functions of the Corporation or any subsidiary of the Corporation to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended September 30, 2023 and the auditors' report thereon, which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca), will be placed before the Shareholders at the Meeting for their consideration. Shareholders who wish to receive annual and interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Endeavor Trust. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

#### ELECTION OF DIRECTORS

#### **Advance Notice**

The Corporation’s articles (the “**Articles**”) provide for advance notice (the “**Advance Notice**”) to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice is to ensure that all Shareholders - including those participating in a meeting by proxy - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice fixes a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice provisions in the Corporation's Articles, is not comprehensive and is qualified by the full text of such Articles which are available under the Corporation's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca).

As of the date of the Information Circular, the Corporation has not received notice of a nomination in compliance with the Advance Notice.

### Fixing the Number of Directors

At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at five (5) members. Approval of the number of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of fixing the number of directors at five (5).**

### Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting, to serve until the next annual meeting of the Shareholders of the Corporation, unless their office is earlier vacated. All of the nominees are currently members of the Board of Directors of the Corporation.

Approval of the election of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders represented at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

| Name, Province or State and Country of Residence          | Principal Occupation or Employment   | Director Since  | Term of Office <sup>(1)</sup> | Number of Common Shares Beneficially Owned or Controlled and percentage of total issued and outstanding <sup>(2)</sup> |
|---|--|-----------------|-------------------------------|--|
| SAFARIK, Bryan<br>British Columbia, Canada                | COO of the Corporation (2020 – present); President of BC Green Pharmaceuticals Inc. (2016 – present)   | July 6, 2020    | N/A                           | 308,216<br>0.35%   |
| SAFARIK, Jacob <sup>(4)</sup><br>British Columbia, Canada | CFO of the Corporation (2020 – present); CFO of BC Green Pharmaceuticals Inc. (2017 – present); Self-employed business consultant (2017 – present) | August 25, 2022 | N/A                           | 93,359<br>0.11%  |

| Name, Province or State and Country of Residence                  | Principal Occupation or Employment   | Director Since  | Term of Office <sup>(1)</sup> | Number of Common Shares Beneficially Owned or Controlled and percentage of total issued and outstanding <sup>(2)</sup> |
|---|--|-----------------|-------------------------------|--|
| STEVENS, Dane <sup>(3)</sup><br>British Columbia, Canada          | CMO of the Corporation (2020 – present); President and Co-Founder of Cavalier Fine Jewelry (2013 – present)  | July 6, 2020    | N/A                           | 8,487,150<br>9.73%   |
| WILSON, John James <sup>(3)(4)</sup><br>British Columbia, Canada  | CEO and Co-Founder of Ride Cycle Club (2015 – present); Partner at Very Polite Agency (2017 – present); Founder of Kit and Ace (2015 – 2019)   | July 6, 2020    | N/A                           | 5,991,750<br>6.87%   |
| SCHINTLER, Jonathan <sup>(3)(4)</sup><br>British Columbia, Canada | Principal of Powst Power Consulting (2018 – present); Director of Finance at Elemental Energy Inc. (2019 – 2022); VP of Project Finance and Development of Alterra Power Corp. (2013 – 2018) | October 7, 2020 | N/A                           | 227,917<br>0.26%   |

**Notes:**

1. The Corporation does not have set terms of office for directors; rather, all directors who are elected hold office until the close of the next annual general meeting of the Corporation.
2. The information, as of the Record Date, as to the number of Common Shares, carrying the right to vote in all circumstances, beneficially owned, directly or indirectly, or over which control or direction is exercised, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
3. Member of the Audit Committee.
4. Member of the Compensation Committee.

**Corporate Cease Trade Orders**

No director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any other corporation that, while such person was acting in that capacity:

- (i) Was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

### ***Corporate Bankruptcies***

No director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other corporation that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Individual Bankruptcies***

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### ***Penalties or Sanctions***

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### ***Conflicts of Interest***

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other mining issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (British Columbia).

## **APPOINTMENT OF AUDITORS**

Unless otherwise directed, management designees named in the accompanying instrument of proxy intend to vote in favor of the appointment of Smythe LLP, Chartered Professional Accountants, as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the Board of Directors. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders represented at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution.**

## **RATIFICATION AND RE-APPROVAL OF EQUITY INCENTIVE PLAN**

For a summary of the Equity Plan, please refer to the section within this Information Circular entitled "Stock Option Plans and Other Incentive Plans" or refer to Schedule "B" hereto where the text of the Equity Plan is attached in its entirety. The Equity Plan was previously approved by the Corporation's shareholders on October 9, 2020 and ratified, adopted and re-approved by the Corporation's shareholders on January 9, 2023 and February 24, 2022.

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. Compensation securities to purchase or receive Common Shares that were previously granted to directors, officers, employees and consultants of the Corporation, are deemed to be granted under the Equity Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Equity Plan.**

The text of the resolution regarding this matter is as follows:

"BE IT RESOLVED THAT:

1. the equity incentive plan (the "**Equity Plan**") of the Corporation, as described in the management information circular and proxy statement of the Corporation dated January 16, 2024, as may be amended by the Board as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and re-approved;
2. the form of the Equity Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

#### **OTHER MATTERS TO BE ACTED UPON**

As of the date of this Information Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval Plus (SEDAR+) which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information concerning the Corporation is provided in the comparative annual consolidated financial statements and management's discussion and analysis ("**MD&A**") of the Corporation for its most recently completed financial year which can also be accessed at [www.sedarplus.ca](http://www.sedarplus.ca) or Shareholders may contact the Corporation to request copies of the financial statements and MD&A at 600 - 21 Water Street, Vancouver, B.C., V6B 1A1 or via email at [leah@optimihealth.ca](mailto:leah@optimihealth.ca).

**SCHEDULE "A"**

**CHARTER OF THE AUDIT COMMITTEE**



**OPTIMI HEALTH CORP.**  
(the “Corporation”)

**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The Audit Committee will be responsible for managing, on behalf of shareholders of the Corporation, the relationship between the Corporation and the external auditors, and other matters of financial integrity, reporting and compliance with applicable laws. The Audit Committee’s responsibilities are set out in detail in Section 4.

**2. Membership of the Audit Committee**

Composition

The audit committee will be comprised of at least three directors, or such other number as is required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

- (a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and
- (b) the independent director requirements of the stock exchange on which the Corporation’s shares are traded from time to time.

Chair

The Audit Committee shall select from its membership a chair. The position description of the chair is attached as Exhibit 1 hereto.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting

principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation's financial statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee's functions.

### **3. Meetings of the Audit Committee**

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least once a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

### **4. Responsibilities of the Audit Committee**

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

#### External Auditors

- (a) the Audit Committee must recommend to the board of directors:
  - (i) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit or review services for the Corporation; and
  - (ii) the compensation of the external auditors;
- (b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) with respect to non-audit services:
  - (i) the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries; and
  - (ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.
- (d) the Audit Committee must also:
  - (i) review the external auditors' proposed audit scope and approach;
  - (ii) review the performance of the external auditors; and

- (iii) review and confirm the independence of the external auditors by obtaining statements from the external auditors on relationships between the external auditors and the Corporation, including non-audit services, and discussing the relationships with the external auditors;

#### Accounting Issues

- (e) the Audit Committee must:
  - (i) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and,
  - (ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

#### Financial Statements, MD&A and Press Releases

- (f) the Audit Committee must:
  - (i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
  - (ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to Audit Committee members, and assess whether the financial statements reflect appropriate accounting principles;
  - (iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
  - (iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of impairment of mineral properties, plant and equipment, income taxes, reclamation provisions, litigation reserves and other commitments and contingencies;
  - (v) consider management's handling of proposed audit adjustments identified by the external auditors;
  - (vi) ensure that the external auditors communicate certain required matters to the Audit Committee;
  - (vii) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;
  - (viii) be briefed on how management develops and summarizes quarterly financial

information, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre- or post-issuance basis;

- (ix) meet with management, either telephonically or in person, to review the interim financial statements;
- (x) to gain insight into the fairness of the interim financial statements and disclosures, the Audit Committee must obtain explanations from management on whether:
  - (a) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (b) changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
  - (c) generally accepted accounting principles have been consistently applied;
  - (d) there are any actual or proposed changes in accounting or financial reporting practices;
  - (e) there are any significant or unusual events or transactions;
  - (f) the Corporation's financial and operating controls are functioning effectively;
  - (g) the Corporation has complied with the terms of loan agreements or security indentures; and
  - (h) the interim financial statements contain adequate and appropriate disclosures;

#### Compliance with Laws and Regulations

- (g) the Audit Committee must:
  - (i) periodically obtain updates from management regarding compliance with laws and regulations;
  - (ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
  - (iii) review the findings of any examinations by regulatory agencies such as the British Columbia or Ontario Securities Commissions; and
  - (iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

#### Employee Complaints

- (h) the Audit Committee must establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

#### Other Responsibilities

- (i) the Audit Committee must:
  - (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;
  - (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
  - (iv) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
  - (v) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;
  - (vi) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the board for approval;
  - (vii) review with management the policies and procedures with respect to approval of expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;
  - (viii) assist the board to identify the principal risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and
  - (ix) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

#### **5. Authority of the Audit Committee**

The Audit Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

**Exhibit 1 to Audit Committee Charter**

**OPTIMI HEALTH CORP.**

**(the "Corporation")**

**Position Description – Audit Committee Chair**

The responsibilities of the Audit Committee chair include, among other things:

- (a) Managing the affairs of the Audit Committee of the Corporation (the "**Committee**") and monitoring its effectiveness;
- (b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and
- (c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.

**SCHEDULE "B"**

**EQUITY INCENTIVE PLAN**

**OPTIMI HEALTH CORP.**  
**EQUITY INCENTIVE PLAN**

**October 9, 2020**

**PART 1**  
**PURPOSE**

**1.1 Purpose**

The purpose of this Plan is to secure for Optimi Health Corp. (the “**Company**”) and its shareholders the benefits inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the board of directors (the “**Board**”), will be largely responsible for its future growth and success. It is generally recognized that equity incentive plans of the nature provided for herein aid in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company.

**1.2 Available Awards**

Awards that may be granted under this Plan include:

- (a) stock options;
- (b) deferred share units; and
- (c) restricted share rights.

**PART 2**  
**INTERPRETATION**

**2.1 Definitions**

- (a) “**Affiliate**” has the meaning set forth in the BCA.
- (b) “**Award**” means any right granted under this Plan, including Options, Deferred Share Units and Restricted Share Rights.
- (c) “**BCA**” means the *Business Corporations Act* (British Columbia).
- (d) “**Blackout Period**” means a period in which the trading of Shares or other securities of the Company is restricted under any policy of the Company then in effect.
- (e) “**Board**” means the board of directors of the Company.
- (f) “**Cashless Exercise Right**” has the meaning set forth in Section 3.5 of this Plan.
- (g) “**Change of Control**” means the occurrence and completion of any one or more of the following events:



- (A) the Company shall not be the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company);
- (B) the Company shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more subsidiaries of the Company shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (i) aggregating more than 50% of the consolidated assets (measured by either book value or fair market value) of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (ii) which during the most recently completed financial year of the Company generated, or during the then current financial year of the Company are expected to generate, more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries, to any other person or persons (other than one or more Designated Affiliates of the Company), in which case the Change of Control shall be deemed to occur on the date of transfer of the assets representing one dollar more than 50% of the consolidated assets in the case of clause (i) or 50% of the consolidated operating income or cash flow in the case of clause (ii), as the case may be;
- (C) the Company is to be dissolved and liquidated;
- (D) any person, entity or group of persons or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 50% of the Company's outstanding voting securities; or
- (E) as a result of or in connection with: (i) the contested election of directors, or (ii) a transaction referred to in subparagraph (i) above, the persons who were directors of the Company before such election or transaction shall cease to constitute a majority of the directors.

For the purposes of the foregoing, "voting securities" means Shares and any other shares entitled to vote for the election of directors and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

- (h) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding guidance thereunder.
- (i) "**Company**" means Optimi Health Corp., a company incorporated under the laws of British Columbia.

- (j) **“Deferred Payment Date”** for a Participant means the date after the Restricted Period which is the earlier of (i) the date which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 4.4 of this Restricted Share Plan; and (ii) the Participant’s Separation Date.
- (k) **“Deferred Share Unit”** means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Company and administered pursuant to this Plan.
- (l) **“Deferred Share Unit Grant Letter”** has the meaning ascribed thereto in Section 5.2 of this Plan.
- (m) **“Deferred Share Unit Payment”** means, subject to any adjustment in accordance with Section 5.5 of this Plan, the issuance to a Participant of one previously unissued Share for each whole Deferred Share Unit credited to such Participant.
- (n) **“Designated Affiliate”** means subsidiaries of the Company designated by the Board from time to time for purposes of this Plan.
- (o) **“Director Retirement”** in respect of a Participant, means the Participant ceasing to hold any directorships with the Company, any Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada) after attaining a stipulated age in accordance with the Company’s normal retirement policy, or earlier with the Company’s consent.
- (p) **“Director Separation Date”** means the date that a Participant ceases to hold any directorships with the Company and any Designated Affiliate due to a Director Retirement or Director Termination and also ceases to serve as an employee or consultant with the Company, any Designated Affiliate and any entity related to the Company for the purposes of the *Income Tax Act* (Canada).
- (q) **“Director Termination”** means the removal of, resignation or failure to re-elect the Eligible Director (excluding a Director Retirement) as a director of the Company, a Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada).
- (r) **“Effective Date”** means October 9, 2020, being the date upon which this Plan was adopted by the Board.
- (s) **“Eligible Directors”** means the directors of the Company or any Designated Affiliate who are, as such, eligible for participation in this Plan.
- (t) **“Eligible Employees”** means employees (including employees who are officers and directors) of the Company or any Designated Affiliate thereof, whether or not they have a written employment contract with the Company, determined by the Board, as employees eligible for participation in this Plan. Eligible Employees shall include Service Providers eligible for participation in this Plan as determined by the Board.
- (u) **“Exchange”** means such stock exchange or other organized market on which the Shares are principally listed or posted for trading from time to time, as applicable,

which such stock exchange may include the Canadian Securities Exchange, the TSX Venture Exchange or any successor entity thereto.

- (v) **“Fair Market Value”** with respect to the Shares as of any date, means the closing market price of the Shares on the trading day prior to such date. Notwithstanding the foregoing, for the purposes of establishing the exercise price per Share of any Option, or the value of any Share underlying a Restricted Share Right or Deferred Share Unit on the grant date, the Fair Market Value means the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the applicable Award; and (b) the date of grant of the applicable Award.
- (w) **“Option”** means an option granted under the terms of this Plan.
- (x) **“Option Period”** means the period during which an Option is outstanding.
- (y) **“Option Shares”** has the meaning set forth in Section 3.5 of this Plan.
- (z) **“Optionee”** means an Eligible Employee or Eligible Director to whom an Option has been granted under the terms of this Plan.
- (aa) **“Participant”** means an Eligible Employee or Eligible Director who participates in this Plan.
- (bb) **“Plan”** means this Equity Incentive Plan, as it may be amended and restated from time to time.
- (cc) **“Restricted Period”** means any period of time that a Restricted Share Right is not vested and the Participant holding such Restricted Share Right remains ineligible to receive the relevant Shares, determined by the Board in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Board, including, but not limited to, circumstances involving death or disability of a Participant.
- (dd) **“Retirement”** in respect of an Eligible Employee, means the Eligible Employee ceasing to hold any employment with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company’s normal retirement policy, or earlier with the Company’s consent.
- (ee) **“Restricted Share Right”** has such meaning as ascribed to such term at Section 4.1 of this Plan.
- (ff) **“Restricted Share Right Grant Letter”** has the meaning ascribed to such term in Section 4.2 of this Plan.
- (gg) **“Separation Date”** means the date that a Participant ceases to be an Eligible Director or Eligible Employee.
- (hh) **“Service Provider”** means any person or company engaged by the Company or a Designated Affiliate to provide services for an initial, renewable or extended period of 12 months or more.

- (ii) **“Shares”** means the common shares of the Company.
- (jj) **“Specified Employee”** means a U.S. Taxpayer who meets the definition of “specified employee”, as defined in Section 409A(a)(2)(B)(i) of the Code.
- (kk) **“Termination”** means the termination of the employment (or consulting services) of an Eligible Employee with or without cause by the Company or a Designated Affiliate or the cessation of employment (or consulting services) of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee.
- (ll) **“US Taxpayer”** means a Participant who is a US citizen, US permanent resident or other person who is subject to taxation on their income under the Code.

## 2.2 Interpretation

- (a) This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (b) Whenever the Board (or Board committee, as the case may be) is to exercise discretion in the administration of the terms and conditions of this Plan, the term **“discretion”** means the sole and absolute discretion of the Board (or Board committee, as the case may be).
- (c) As used herein, the terms **“Part”** or **“Section”** mean and refer to the specified Part or Section of this Plan, respectively.
- (d) Where the word **“including”** or **“includes”** is used in this Plan, it means “including (or includes) without limitation”.
- (e) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (f) Unless otherwise specified, all references to money amounts are to Canadian dollars.

## PART 3 STOCK OPTIONS

### 3.1 Participation

The Company may from time to time grant Options to Participants pursuant to this Plan.

### 3.2 Price

The exercise price per Share of any Option shall be not less than one hundred per cent (100%) of the Fair Market Value.

### **3.3 Grant of Options**

The Board may at any time authorize the granting of Options to such Participants as it may select for the number of Shares that it shall designate, subject to the provisions of this Plan. The date of grant of an Option shall be the date such grant was approved by the Board.

Each Option granted to a Participant shall be evidenced by a stock option agreement with terms and conditions consistent with this Plan and as approved by the Board (and in all cases which terms and conditions need not be the same in each case and may be changed from time to time, subject to Section 7.7 of this Plan, and any required approval of the Exchange or any other exchange or exchanges on which the Shares are then traded, if applicable).

### **3.4 Terms of Options**

The Option Period shall be five years from the date such Option is granted, or such greater or lesser duration as the Board may determine at the date of grant, and may thereafter be reduced with respect to any such Option as provided in Section 3.6 hereof covering termination of employment or death of the Optionee; provided, however, that at any time the expiry date of the Option Period in respect of any outstanding Option under this Plan should be determined to occur either during a Blackout Period or within ten business days following the expiry of the Blackout Period, the expiry date of such Option Period shall be deemed to be the date that is the tenth business day following the expiry of the Blackout Period.

Unless otherwise determined from time to time by the Board, Options shall vest and may be exercised (in each case to the nearest full Share) during the Option Period as follows:

- (a) at any time during the first six months of the Option Period, the Optionee may purchase up to 25% of the total number of Shares reserved for issuance pursuant to his or her Option; and
- (b) at any time during each additional six-month period of the Option Period the Optionee may purchase an additional 25% of the total number of Shares reserved for issuance pursuant to his or her Option plus any Shares not purchased in accordance with the preceding subsection (a) and this subsection (b) until, after the 18<sup>th</sup> month of the Option Period, 100% of the Option will be exercisable.

Except as set forth in Section 3.6, no Option may be exercised unless the Optionee is at the time of such exercise:

- (a) in the case of an Eligible Employee, in the employ (or retained as a Service Provider) of the Company or a Designated Affiliate and shall have been continuously so employed or retained since the grant of the Option; or
- (b) in the case of an Eligible Director, a director of the Company or a Designated Affiliate and shall have been such a director continuously since the grant of the Option.

The exercise of any Option will be contingent upon the Optionee having entered into an Option agreement with the Company on such terms and conditions as have been approved by the Board and which incorporates by reference the terms of this Plan. The exercise of any Option

will, subject to Section 3.5, also be contingent upon receipt by the Company of cash payment of the full purchase price of the Shares being purchased.

### **3.5 Cashless Exercise Right**

Participants have the right (the “**Cashless Exercise Right**”), in lieu of the right to exercise an Option, to terminate such Option in whole or in part by notice in writing delivered by the Participant to the Company electing to exercise the Cashless Exercise Right and, in lieu of receiving the Shares (the “**Option Shares**”) to which such Terminated Option relates, to receive the number of Shares, disregarding fractions, which is equal to the quotient obtained by:

- (a) subtracting the applicable Option exercise price per Share from the Fair Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right and multiplying the remainder by the number of Option Shares; and
- (b) dividing the product obtained under subsection 3.5(a) by the Fair Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right.

If a Participant exercises a Cashless Exercise Right in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable under this Plan.

### **3.6 Effect of Termination of Employment or Death**

If an Optionee:

- (a) dies while employed by a Service Provider to or while a director of the Company or a Designated Affiliate, any Option held by him or her at the date of death shall become exercisable in whole or in part, but only by the person or persons to whom the Optionee’s rights under the Option shall pass by the Optionee’s will or applicable laws of descent and distribution. Unless otherwise determined by the Board, all such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner; and
- (b) ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for cause, no Option held by such Optionee will, unless otherwise determined by the Board, be exercisable following the date on which such Optionee ceases to be so engaged; provided, however, that if an Optionee ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for any reason other than cause then, unless otherwise determined by the Board, any Option held by such Optionee at the effective date thereof shall become exercisable for a period of up to 12 months thereafter or prior to the expiration of the Option Period in respect thereof, whichever is sooner.

### **3.7 Effect of Takeover Bid**

In the event of a Change of Control, unless otherwise determined by the Board, (i) all Options outstanding shall immediately vest and be exercisable; and (ii) all Options that are not otherwise exercised contemporaneously with the completion of the Change of Control will terminate and expire immediately thereafter.

### **3.8 Effect of Amalgamation or Merger**

Subject to Section 3.7, if the Company amalgamates or otherwise completes a plan of arrangement or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, arrangement or merger if the Participant had exercised his or her Option immediately prior to the record date applicable to such amalgamation, arrangement or merger, and the option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of this Plan.

## **PART 4 RESTRICTED SHARE RIGHTS**

### **4.1 Participants**

The Company has the right to grant, in its sole and absolute discretion, to any Participant, rights to receive any number of fully paid and non-assessable Shares ("**Restricted Share Rights**") as a discretionary payment in consideration of past services to the Company or as an incentive for future services, subject to this Plan and with such additional provisions and restrictions as the Board may determine. For purposes of calculating the number of Restricted Share Rights to be granted, the Company shall be obligated to value the Shares underlying such Restricted Share Rights at not less than one hundred per cent (100%) of the Fair Market Value.

### **4.2 Restricted Share Right Grant Letter**

Each grant of a Restricted Share Right under this Plan shall be evidenced by a grant letter (a "**Restricted Share Right Grant Letter**") issued to the Participant by the Company. Such Restricted Share Right Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Restricted Share Right Grant Letter. The provisions of the various Restricted Share Right Grant Letters issued under this Plan need not be identical.

### **4.3 Restricted Period**

Concurrent with the determination to grant Restricted Share Rights to a Participant, the Board shall determine the Restricted Period applicable to such Restricted Share Rights. In addition, at the sole discretion of the Board, at the time of grant, the Restricted Share Rights may be subject to performance conditions to be achieved by the Company or a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such Restricted Share Rights to entitle the holder thereof to receive the underlying Shares. Upon expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable), a Restricted Share Right shall be automatically settled, and without the payment of additional consideration or any other further action on the part of the holder of the Restricted Share Right, the underlying

Shares shall be issued to the holder of such Restricted Share Rights, which Restricted Share Rights shall then be cancelled.

#### **4.4 Deferred Payment Date**

Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) (and for greater certainty, who are not US Taxpayers), may elect to defer to receive all or any part of the Shares underlying Restricted Share Rights until one or more Deferred Payment Dates. Any other Participants may not elect a Deferred Payment Date.

#### **4.5 Prior Notice of Deferred Payment Date**

Participants who elect to set a Deferred Payment Date must, in respect of each such Deferred Payment Date, give the Company written notice of the Deferred Payment Date(s) not later than thirty (30) days prior to the expiration of the applicable Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is thirty (30) days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked. For the avoidance of doubt, the foregoing shall not prevent a Participant from electing an additional Deferred Payment Date, provided, however that notice of such election is given by the Participant to the Company not later than thirty (30) days prior to the expiration of the subject Restricted Period.

#### **4.6 Retirement or Termination during Restricted Period**

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of a Participant from all such roles with the Company during the Restricted Period, any Restricted Share Rights held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Board shall have the absolute discretion to modify the grant of the Restricted Share Rights to provide that the Restricted Period shall terminate immediately prior to the date of such occurrence.

#### **4.7 Retirement or Termination after Restricted Period**

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of the Participant from all such roles with the Company following the Restricted Period and prior to a Deferred Payment Date, the Participant shall be entitled to receive, and the Company shall issue forthwith, Shares in satisfaction of the Restricted Share Rights then held by the Participant.

#### **4.8 Death or Disability of Participant**

In the event of the death or total disability of a Participant, any Shares represented by Restricted Share Rights held by the Participant shall be immediately issued by the Company to the Participant or legal representative of the Participant.

#### **4.9 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, a Participant may be credited with additional Restricted Share Rights. The number of such additional Restricted Share Rights, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Restricted Share Rights (including Restricted Share Rights in which the Restricted Period has expired but the Shares have not been issued due to a Deferred



Payment Date) in the Participant's account on the dividend record date had been outstanding Shares (and the Participant held no other Shares) by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

#### **4.10 Change of Control**

In the event of a Change of Control, all Restricted Share Rights outstanding shall vest immediately and be settled by the issuance of Shares notwithstanding the Restricted Period and any Deferred Payment Date.

### **PART 5 DEFERRED SHARE UNITS**

#### **5.1 Deferred Share Unit Grants**

The Board may from time to time determine to grant Deferred Share Units to one or more Eligible Directors in a lump sum amount or on regular intervals, based on such formulas or criteria as the Board may from time to time determine. Deferred Share Units will be credited to the Eligible Director's account when designated by the Board. For purposes of calculating the number of Deferred Share Units to be granted, the Company shall be obligated to value the Shares underlying such Deferred Share Units at not less than one hundred per cent (100%) of the Fair Market Value.

#### **5.2 Deferred Share Unit Grant Letter**

Each grant of a Deferred Share Unit under this Plan shall be evidenced by a grant letter (a "Deferred Share Unit Grant Letter") issued to the Eligible Director by the Company. Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of Deferred Share Unit Grant Letters issued under this Plan need not be identical.

#### **5.3 Redemption of Deferred Share Units and Issuance of Deferred Shares**

The Deferred Share Units held by each Eligible Director who is not a US Taxpayer shall be redeemed automatically and with no further action by the Eligible Director on the 20<sup>th</sup> business day following the Separation Date for that Eligible Director. For US Taxpayers, Deferred Share Units held by an Eligible Director who is a Specified Employee will be automatically redeemed with no further action by the Eligible Director on the date that is six months following the Separation Date for the Eligible Director, or if earlier, upon such Eligible Director's death. Upon redemption, the former Eligible Director shall be entitled to receive and the Company shall issue, the number of Shares issued from treasury equal to the number of Deferred Share Units in the Eligible Director's account, subject to any applicable deductions and withholdings. In the event a Separation Date occurs during a year and Deferred Share Units have been granted to such Eligible Director for that entire year, the Eligible Director will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that he or she was an Eligible Director in such year.

No amount will be paid to, or in respect of, an Eligible Director under this Plan or pursuant to any other arrangement, and no other additional Deferred Share Units will be granted to

compensate for a downward fluctuation in the value of the Shares of the Company nor will any other benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

#### **5.4 Death of Participant**

In the event of the death of an Eligible Director, the Deferred Share Units shall be redeemed automatically and with no further action on the 20<sup>th</sup> business day following the death of an Eligible Director.

#### **5.5 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, an Eligible Director may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Eligible Director if the Deferred Share Units in the Eligible Director's account on the dividend record date had been outstanding Shares (and the Eligible Director held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

### **PART 6 WITHHOLDING TAXES**

#### **6.1 Withholding Taxes**

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

### **PART 7 GENERAL**

#### **7.1 Number of Shares**

The aggregate number of Shares that may be issued under this Plan (together with any other securities-based compensation arrangements of the Company in effect from time to time), shall not exceed 15% of the outstanding issue from time to time, such Shares to be allocated among Awards and Participants in amounts and at such times as may be determined by the Board from time to time.

For the purposes of this Section 7.1, "outstanding issue" means the total number of Shares, on a non-diluted basis, that are issued and outstanding immediately prior to the date that any Shares are issued or reserved for issuance pursuant to an Award.

## **7.2 Lapsed Awards**

If Awards are surrendered, terminated or expire without being exercised in whole or in part, new Awards may be granted covering the Shares not issued under such lapsed Awards, subject to any restrictions that may be imposed by the Exchange, including, without limitation, the restriction that if an Option is cancelled prior to its expiry date, the Company shall post notice of the cancellation and shall not grant new Options to the same Participant until 30 days have elapsed from the date of cancellation.

## **7.3 Adjustment in Shares Subject to this Plan**

If there is any change in the Shares through the declaration of stock dividends of Shares, through any consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under this Plan, the Shares subject to any Award, and the exercise price of any Option shall be adjusted as determined to be appropriate by the Board, and such adjustment shall be effective and binding for all purposes of this Plan.

## **7.4 Transferability**

Any Awards accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant all Awards may only be exercised by the Participant. Awards are non-transferable except by will or by the laws of descent and distribution.

## **7.5 Employment**

Nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any Affiliate, or interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

## **7.6 Record Keeping**

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Awards granted to each Participant and relevant details regarding such Awards; and
- (c) such other information as the Board may determine.

## **7.7 Amendments to Plan**

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, amend, suspend or terminate this Plan or any Award granted under this Plan without shareholder approval, including, without limiting the generality of the foregoing: changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in this Plan, changes to the exercise price, vesting, term and termination provisions of the Award, changes to the cashless exercise right provisions, changes to the authority and role of the

Board under this Plan, and any other matter relating to this Plan and the Awards that may be granted hereunder, provided however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares may be listed;
- (b) no amendment to this Plan or to an Award granted hereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;
- (c) the terms of an Option will not be amended once issued; and
- (d) the expiry date of an Option Period in respect of an Option shall not be more than ten years from the date of grant of an Option except as expressly provided in Section 3.4.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights pursuant thereto remain outstanding and, notwithstanding the termination of this Plan, the Board shall remain able to make such amendments to this Plan or the Award as they would have been entitled to make if this Plan were still in effect.

#### **7.8 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

#### **7.9 Section 409A**

It is intended that any payments under this Plan to US Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.

#### **7.10 Compliance with Applicable Law, etc.**

If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or this Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **7.11 Term of the Plan**

This Plan shall remain in effect until it is terminated by the Board.

**PART 8  
ADMINISTRATION OF THIS PLAN**

**8.1 Administration by the Board**

- (a) Unless otherwise determined by the Board, this Plan shall be administered by the Board or a Board committee designated by the Board.
- (b) The Board (or Board committee, as the case may be) shall have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan, to:
  - (i) adopt and amend rules and regulations relating to the administration of this Plan and make all other determinations necessary or desirable for the administration of this Plan. The interpretation and construction of the provisions of this Plan and related agreements by the Board (or Board committee, as the case may be) shall be final and conclusive. The Board (or Board committee, as the case may be) may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry this Plan into effect and it shall be the sole and final judge of such expediency;
  - (ii) determine and designate from time to time the individuals to whom Awards shall be made, the amounts of the Awards and the other terms and conditions of the Awards;
  - (iii) delegate any of its responsibilities or powers under this Plan to a Board committee; and
  - (iv) otherwise exercise the powers under this Plan as set forth herein.