

STOCK OPTION PLAN OF TRYP THERAPEUTICS INC.

1. PURPOSE

The purpose of the Stock Option Plan (the “**Plan**”) of Tryp Therapeutics Inc., a corporation existing under the *Business Corporations Act* (British Columbia) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. STOCK EXCHANGE RULES

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the “**Exchange**”).

4. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 17 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation’s authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time (the “**Rolling 10% Maximum**”), other than Shares issuable upon the exercise of the Special Consultant Options (as defined herein), which shall be in addition to the Rolling 10% Maximum, provided that such number of Shares issuable upon exercise of options granted under the Plan plus the number of Shares reserved for

issuance under all other equity incentive plans of the Corporation, shall not exceed 20% of the issued and outstanding Shares on a non-diluted basis at any time. If any option granted hereunder, other than a Special Consultant Option, shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan. If any Special Consultant Option shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall not be available for the purpose of this Plan. For the purposes of this Plan, “**Special Consultant Options**” shall mean the 5,269,684 options of the Corporation granted to consultants of the Corporation on November 2, 2020.

5. MAINTENANCE OF SUFFICIENT CAPITAL

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. ELIGIBILITY AND PARTICIPATION

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with any applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. EXERCISE PRICE

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange, if applicable, and the option has been granted, the exercise price of an option may only be amended pursuant to the policies of the Exchange.

8. NUMBER OF OPTIONED SHARES

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds such maximum number, if any, permitted by the Exchange.
- (b) If prohibited by the Exchange, no single Participant will be granted options to purchase a number of Shares equaling more than 5% of the issued common shares of the Corporation, in any twelve-month period, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Corporation, in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries), which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable.
- (d) Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Corporation, in any twelve-month period to persons employed to provide investor relation activities, which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable. Options granted to Consultants performing investor relations activities may contain vesting provisions, as determined by the Board.

9. U.S. SECURITIES LAWS

Neither the options which may be granted pursuant to the provisions of the Plan nor the Shares which may be purchased pursuant to the exercise of options have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America. Accordingly, any option holder who is a "U.S. person" (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or who is holding or exercising options in the United States (collectively, "**U.S. Option Holders**") or becomes a U.S. Option Holder, who is granted an option in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the options be deemed to represent, warrant, acknowledge and agree that:

- (a) the option holder is acquiring the options and any Shares acquired upon the exercise of such options as principal and for the account of the option holder;
- (b) in granting the options and issuing the Shares to the option holder upon the exercise of such options, the Corporation is relying on the representations and warranties of the option holder contained in this Plan relating to the options to support the conclusion of the Corporation that the granting of the options and the issue of Shares upon the exercise of such options do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;

- (c) each certificate representing Shares issued upon the exercise of such options to a U.S. Option Holder shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that if such Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

"The undersigned (A) acknowledges that the sale of _____ common shares represented by Certificate Number(s) _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither

the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.";

- (d) other than as contemplated by subsection (c) of this Section 9, prior to making any disposition of any Shares acquired pursuant to the exercise of such options which might be subject to the requirements of the U.S. Securities Act, the U.S. Option Holder shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by subsection (c) of this Section 9, the U.S. Option Holder will not attempt to effect any disposition of the Shares owned by the U.S. Option Holder and acquired pursuant to the exercise of such options or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States of America and then will only dispose of such Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such options shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such options is such that the U.S. Option Holder may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 9.

10. U.S. TAXES

- (a) Notwithstanding anything in this Plan to the contrary, any option granted under this Plan to an

optionee who is a citizen or resident of the United States of America, including its territories, possessions, and all areas subject to jurisdiction (a **“U.S. Optionee”**) shall have a purchase price of the Shares subject to the option not less than the fair market value of such Shares at the time the option is granted (whether the option is an option granted under this Plan that is intended to qualify as an “incentive stock option” in accordance with the terms of section 422 of the United States Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder (the **“Code”**) or any successor provision (an **“Incentive Stock Option”**) or an option granted under this Plan that is not an Incentive Stock Option (a **“Non-Qualified Stock Option”**)), unless the option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Corporation, in which case any such substituted option shall be adjusted as required to comply with sections 409A and 422 of the Code. The purchase price of options granted to a U.S. Optionee may not be amended to reduce such purchase price below the fair market value of the underlying Shares at the time the option was granted, except as in a manner that complies with section 409A of the Code. Any option granted to a U.S. Optionee who, at the time of grant, is an employee of the Corporation or any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) shall be an Incentive Stock Option within the meaning of the Code, unless the Corporation expressly determines that the option is to be a Non-Qualified Stock Option.

- (b) Notwithstanding anything in this Plan to the contrary, the following provisions shall apply to each Incentive Stock Option:
- (i) the option shall be an Incentive Stock Option to the extent that the aggregate fair market value (determined as of the time the option is granted) of the Shares with respect to which options are exercisable for the first time by such U.S. Optionee during any calendar year under this Plan and all other incentive stock option plans, within the meaning of section 422 of the Code, of the Corporation and any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) does not exceed One Hundred Thousand Dollars in U.S. funds (US\$100,000);
 - (ii) to the extent that the aggregate fair market value (determined as of the time the option is granted) of the Shares with respect to which Incentive Stock Options (determined without reference to this subsection) are exercisable for the first time by a U.S. Optionee during any calendar year under this Plan and all other incentive stock option plans, within the meaning of section 422 of the Code, of the Corporation and any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) exceeds One Hundred Thousand Dollars in U.S. funds (US\$100,000), such options will be treated as Non-Qualified Stock Options in accordance with section 422(d) of the Code;
 - (iii) Incentive Stock Options shall only be available to employees as defined above (and not available to non-employee service providers);
 - (iv) no Incentive Stock Option may be granted following the expiry of 10 years after the date on which this Plan is adopted by the board of directors of the Corporation and no Incentive Stock Option may be exercisable following the expiry of 10 years after the date of grant (notwithstanding anything in this Plan to the contrary);

- (v) if any U.S. Optionee to whom an Incentive Stock Option is to be granted under this Plan is at the time of the grant of such Incentive Stock Option the owner of shares possessing more than 10% of the total combined voting power of all classes of the shares of the Corporation or any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code), then the following special provisions shall be applicable to the option granted to that U.S. Optionee:
 - a. the purchase price of the Shares subject to such Incentive Stock Option shall not be less than 110% of the fair market value of one Share at the time of the grant; and
 - b. the term of such option shall in no event exceed five (5) years from the date of the grant;
 - (vi) the total number of Shares which may be issued under the Plan as Incentive Stock Options shall not exceed 3,900,000, subject to adjustment as provided in Section 17 hereof and subject to the maximum number of Shares reserved under the Plan as set out in Section 4 hereof;
 - (vii) no Incentive Stock Option granted under this Plan shall become exercisable until this Plan is approved by the shareholders of the Corporation;
 - (viii) any Incentive Stock Option may be exercised during the U.S. Optionee’s lifetime only by the U.S. Optionee;
 - (ix) the determination of the option exercise price and the number of shares subject to the option after any adjustment provided for in Section 17 hereof shall be made in accordance with the rules set forth in sections 409A and 424 of the Code and regulations promulgated thereunder; and
 - (x) each of the foregoing provisions of this Section 10 is intended to qualify any option as an Incentive Stock Option to the greatest extent possible, and such provisions shall be interpreted consistently with such intent. No provision of this Plan, as it may be applied to an Incentive Stock Option, shall be construed so as to be inconsistent with any provision of section 422 of the Code.
- (c) Unless otherwise approved by the Board, the aggregate value of Shares issued to all Optionees within any consecutive 12 month period pursuant to the exercise of options granted under this Plan and any of the Corporation’s other security based compensation arrangements shall not exceed the greatest of:
- (xi) USD\$1,000,000;
 - (xii) 15% of the total assets of the Corporation, measured at its most recent annual balance sheet date; or

- (xiii) 15% of the outstanding Common Shares, measured at the Corporation's most recent annual balance sheet date.

For purposes of this Section 10, the method of calculating the aggregate value of Common Shares issued pursuant to the exercise of options shall be made in compliance with Rule 701 of the U.S. Securities Act.

11. DURATION OF OPTION

- (a) Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 13 and 14, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange.
- (b) Subject to compliance with applicable Exchange policy, the expiry date of an option granted hereunder will be automatically extended if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options. Such automatic extension shall in no event exceed 10 business days following the end of such blackout period.

12. OPTION PERIOD, CONSIDERATION AND PAYMENT

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 13 and 14 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period.
- (d) Except as set forth in Sections 13 and 14, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft or electronic money transfer for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificate(s) for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

13. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

- (a) If a Participant shall cease to be a director, officer, consultant or employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

14. DEATH OF PARTICIPANT

Notwithstanding Section 13, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the option at the date of his death.

15. RIGHTS OF OPTIONEE

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until the certificate(s) representing such Shares shall have been issued and delivered.

16. PROCEEDS FROM SALE OF SHARES

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

17. ADJUSTMENTS

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements. Any adjustments made to

options held by U.S. Optionees shall be made in accordance with sections 409A and 422 of the Code, as applicable.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

18. TRANSFERABILITY

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

19. AMENDMENT AND TERMINATION OF PLAN

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

20. NECESSARY APPROVALS

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and the Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant. Notwithstanding any provision of the Plan to the contrary, no option shall qualify as an Incentive Stock Option unless a majority of shareholders of the Corporation approves the Plan within 12 months before or after the adoption of the Plan by the Board of the Corporation.

21. WITHHOLDING TAXES

The Corporation's obligation to deliver Shares issuable on the exercise of an option shall be subject to a Participant's satisfaction of all applicable income, employment and non-resident withholding tax obligations. Without limiting the generality of the foregoing, if the Corporation determines in its sole discretion that under the requirements of applicable taxation laws or regulations of any governmental authority whatsoever it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an option, the Corporation may take any steps it considers necessary or appropriate in the circumstances to withhold in connection with any option or other benefit under the Plan including, without limiting the generality of the foregoing:

- (a) requiring the Participant exercising the option to pay the Corporation, in the same manner as the exercise price for the Shares issuable on exercise of an option, such amount as the Corporation is obliged to remit to such taxing authority in respect of the exercise of the option, with any such additional payment, in any event, being due no later than the date as of which any amount with respect to the option exercised first becomes included in the gross income of the Participant for tax purposes; or
- (b) issuing the Shares issuable on the exercise of an option to an agent on behalf of the Participant and directing the agent to sell a sufficient number of such Shares on behalf of the Participant to satisfy the amount of any such withholding obligation, with the agent paying the proceeds of any such sale to the Corporation for this purpose;

to the extent permitted by law, deducting the amount of any such withholding obligation from any payment of any kind otherwise due to the Participant.

22. CHANGE IN CONTROL

Notwithstanding anything contained to the contrary in the Plan, in any resolution of the Board in implementation thereof or in any option agreement, the Board has the right to provide for the conversion or exchange of any outstanding options granted hereunder into or for options, rights or other securities in any entity participating in or resulting from a Change in Control (as defined below).

Upon the Corporation entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change in Control, the Corporation shall give written notice of the proposed Change in Control to the holders of options, together with a description of the effect of such Change in Control on outstanding options, not less than fourteen (14) days before proposed closing of the transaction resulting in the Change in Control.

The Board may, in its sole discretion, accelerate the vesting of any or all outstanding options to provide that, notwithstanding the vesting provisions of such options or any Option Agreement, such outstanding options shall be fully vested and conditionally exercisable upon (or before) the completion of the Change in Control; provided that the Board shall not, in any case, authorize the exercise of options pursuant to this Section 22 beyond the expiry date of the options. If the Board elects to accelerate the vesting of the options, then if any of such options are not exercised within fourteen (14) days after the holders of options are given the notice contemplated in this Section 22, such unexercised options shall terminate and expire upon the completion of the proposed Change in Control. If, for any reason, the Change in Control does not occur within the contemplated time period, the acceleration of the vesting of the options shall be retracted and vesting shall instead revert to the manner provided in the Option Agreement.

To the extent a Change in Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Corporation and the Board does not accelerate the vesting of options pursuant to this Section 22, the Corporation shall make adequate provisions to ensure that, upon completion of the proposed Change in Control, the number and kind of shares subject to outstanding Options and/or the option price per share shall be appropriately adjusted in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to holders of options granted hereunder.

For purposes of the Plan, a “**Change in Control**” means the occurrence of any of the following events:

- (a) any transaction pursuant to which: (i) the Corporation ceases to exist, or (ii) any person, or any “associated” or “affiliated” (as each of those terms is defined in the *Business Corporations Act* (British Columbia)) corporation of which such person (other than the Corporation, a subsidiary of the Corporation or any employee benefit plan of the Corporation (including any trustee of such plan acting as trustee)) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of securities of the Corporation representing fifty per cent (50%) or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities;
- (b) the sale of all or substantially all of the assets of the Corporation, any subsidiary, or any business entity managed or controlled by the Corporation to a person other than a person that was an affiliate of the Corporation;
- (c) the dissolution or liquidation of the Corporation, except in connection with the distribution of assets of the Corporation to one or more persons which were affiliated corporations before such event; or
- (d) the occurrence of a transaction requiring approval of the Corporation’s shareholders involving the acquisition of the Corporation by any entity through purchase of assets, by amalgamation or otherwise.

23. EFFECTIVE DATE OF PLAN

The Plan has been adopted by the Board of the Corporation.

24. INTERPRETATION

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.