

**NOTICE OF MEETING  
AND  
INFORMATION CIRCULAR  
for the 2023 Annual General Meeting of the  
Shareholders of  
PANGEA NATURAL FOODS INC.**

**Dated as of March 28, 2023**

**PANGEA NATURAL FOODS INC.**

12181 New McLellan Road  
Surrey, BC V3X 2X8  
Tel: (604) 765-8069

**INFORMATION CIRCULAR**

(As at March 28, 2023 except as indicated)

Pangea Natural Foods Inc. (the "**Company**") is providing this information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held on Thursday, May 4, 2023, at 10:00 a.m. (Pacific Time) and at any adjournments and postponements thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

**VOTING BY PROXY**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the**

date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Endeavor Trust Corporation of 702-777 Hornby Street, Vancouver, BC V6Z 1S4, not later than 10:00 a.m. (Pacific Time) on March 2, 2023, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### **NON-REGISTERED HOLDERS**

**Only registered Shareholders or persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of the Company whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but instead registered in the name of a nominee (a "**Nominee**") such as a brokerage firm through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Company) of which the Intermediary is a participant.

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

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting materials to the Nominees for distribution to NOBOs. The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

### **NOTICE-AND-ACCESS**

The Company is not sending the Meeting materials to Shareholders using "notice-and-access", as defined under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

### **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue unlimited Shares without par value, of which 36,015,001 Shares are issued and outstanding as at the record date of March 28, 2023 (the "**Record Date**"). Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

<b>Name</b>	<b>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</b>	<b>Percentage of Outstanding Shares <sup>(1)</sup></b>
Pratapvir Sandhu	12,842,501	36%

(1) Based on 36,015,001 common shares issued and outstanding as of March 28, 2023.

### **FINANCIAL STATEMENTS AND AUDITORS' REPORT**

The audited financial statements of the Company (the "**Financial Statements**") for the year ended October 31, 2022, and the auditors' report thereon will be tabled before the Shareholders at the Meeting. The audited financial statements have been approved by the audit committee (the "**Audit Committee**") and the board of directors (the "**Board**"). The Financial Statements can also be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). No vote by the Shareholders is required to be taken with respect to the Financial Statements.

### **NUMBER OF DIRECTORS**

The Board presently consists of three (3) directors to be elected annually. At the Meeting, it is proposed to keep the number of directors elected at three (3) directors to hold office until the next annual general meeting. Shareholder approval will be sought to fix the number of directors of the Company at three (3). **In the absence of instructions to the contrary, the enclosed proxy will be voted to set the number of directors of the Company at three (3).**

### ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. **In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the nominees herein listed.**

The Company has an Audit Committee and its members are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(4)</sup>
<b>Pratapvir Sandhu</b> <sup>(1)</sup> Chief Executive Officer, Corporate Secretary and Director <i>British Columbia, Canada</i>	CEO, Corporate Secretary & Director of Pangea Natural Foods Inc., April 2021 to Present; Director of Marketing of Prabu Foods, May 2011 to January 2021.	April 10, 2021	12,842,501
<b>Mohammad Fazil</b> <sup>(1)</sup> Director <i>Alberta, Canada</i>	Director of Comprehensive Healthcare Inc., June 2018 to Present; President, CEO & CFO, Real Luck Group, January 2018 to December 2020; Founder & CEO of Harbour Star Capital, July 2014 to July 2018.	February 14, 2022	900,000
<b>Alnasir Virani</b> <sup>(1)</sup> Director <i>British Columbia, Canada</i>	Owner & Operator of First Choice Foods, February 2015 to present.	February 14, 2022	520,000

(1) Member of Audit Committee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

### CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

To the knowledge of the Company, except as set out below in this Information Circular, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:

- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
  - (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - (e) has been subject to any 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.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The following disclosure sets forth the compensation paid, awarded, granted, given or otherwise provided to each named executive officer and director for the most recently completed financial year.

**"Named Executive Officer"** (or **"NEO"**) means each of the following individuals:

- (a) the CEO;
- (b) the CFO;
- (c) the most highly compensated executive officer of the Company, including any of its subsidiaries, or the most highly compensated individual acting in a similar capacity, other than

the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity.

For the financial year ending October 31, 2022, the Company had the following Named Executive Officers: Pratapvir Sandhu – CEO, Rubens Tse – CFO and Toni Madan– former CFO.

### Director and NEO Compensation, Excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company, current or former, for the completed financial years ended October 31, 2022 and 2021.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Prerequisites	Value of All Other Compensation	Total Compensation
<b>Pratapvir Sandhu</b> <sup>(1)</sup> CEO, Corporate Secretary and Director	2022	\$120,000	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000
	2021	\$74,013	\$Nil	\$Nil	\$Nil	\$Nil	\$74,103
<b>Mohammad Fazil</b> <sup>(2)</sup> Director	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Alnasir Virani</b> <sup>(2)</sup> Director	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Rubens Tse</b> <sup>(3)</sup> CFO	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Toni Madan</b> <sup>(4)</sup> Former CFO	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2021	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A	\$N/A

(1) Pratapvir Sandhu was appointed CEO on January 26, 2022 and was appointed Corporate Secretary on March 25, 2022.

(2) Mohammad Fazil and Alnasir Virani were appointed directors on February 14, 2022.

(3) Rubens Tse was appointed CFO on November 4, 2022.

(4) Toni Madan resigned as CFO on November 4, 2022.

### External Management Companies

As of the fiscal year ended October 31, 2022, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors and, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

## Stock Options and Other Compensation Securities

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and director of the Company, current and former, for the financial year ended October 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Pratapvir Sandhu</b> CEO, Corporate Secretary and Director	Stock Options	1,000,000	February 14, 2022	\$0.10	N/A <sup>(1)</sup>	\$0.145	February 14, 2027
<b>Mohammad S. Fazil</b> Director	Stock Options	250,000	February 14, 2022	\$0.10	N/A <sup>(1)</sup>	\$0.145	February 14, 2027

(1) At the time of granting of these options, the Company's common shares were not listed on the Canadian Securities Exchange.

During the fiscal year ended October 31, 2022, the NEOs and directors did not exercise any of the compensation securities.

## Stock Option Plans and Other Incentive Plan

For information about the material terms of the Company's stock option plan, please refer to the heading "*Particulars of Other Matters to be Acted Upon – Approval of Stock Option Plan*".

## Employment, Consulting and Management Agreements

Except as disclosed below, the Company does not have any written employment, consulting or management agreements in place with any of its officers or directors. No benefits will accrue to any of the Company's Named Executive Officers, officers, employees or directors upon their termination, or upon any change of control of the Company.

Toni Madan, former CFO, provided her services as CFO of the Company pursuant to a consulting agreement between the Company and ACM Management Inc., of which Ms. Madan is an employee, dated effective September 28, 2021 (the "**ACM Consulting Agreement**"). Under the terms of the agreement, the Company will be invoiced for services performed at a rate of \$60-\$200 per hour, depending on the service. The ACM Consulting Agreement was for a term of one year.



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

The Board is responsible for determining, by way of discussions at Board meetings, the compensation to be paid to the Company's executive officers and directors. In assessing the compensation of its directors and executive officers, including the NEOs, the Company does not have in place any formal objectives, criteria or analysis; however, the performance of each individual is considered along with the Company's ability to pay compensation and its results of operation for the period.

Compensation payable to executive officers and directors will be approved by the full Board, on an annual basis. The Company has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any NEO is dependent. NEOs' performance is reviewed in light of the Company's objectives from time to time and such officers' compensation is also compared to that of executive officers of companies of similar size and stage of development in the health food industry.

Future compensation to be awarded or paid to the Company's directors and/or executive officers, including NEOs, once the Company is expected to consist primarily of management fees or salary, stock options and bonuses. In the meantime, payments may be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services will be paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers. In addition, it is anticipated that the Board may award bonuses, in its sole discretion, to executive officers, including NEOs, from time to time. Any compensation paid to the Company's NEOs is dependent upon the Company's finances as well as the performance of each of the NEOs.

The Company does not have a compensation committee or any formal compensation policies at this time.

## **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

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

The following table sets out equity compensation plan information as at the end of the financial year ended October 31, 2022.

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	2,300,000	\$0.10	463,500
<b>Total</b>	<b>2,300,000</b>	<b>\$0.10</b>	<b>463,500</b>

(1) Options issued pursuant to the Company's Stock Option Plan (defined below). See *Particulars of Other Matters to be Acted Upon – Approval of Stock Option Plan*.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the Record Date, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership

or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

No informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

#### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Baker Tilly WM LLP, as auditor of the Company and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditor. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote for the appointment of Baker Tilly WM LLP, as the Company's auditor and to authorize the directors of the Company to fix the remuneration to be paid to the auditor.**

#### **MANAGEMENT CONTRACTS**

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

#### **AUDIT COMMITTEE**

Under National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its Audit Committee.

##### **Audit Committee Charter**

The Audit Committee Charter sets out the Audit Committee's responsibilities and authority, procedures governing meetings, qualifications for membership and particulars governing the role of the chair of the Audit Committee. A copy of the Audit Committee Charter is attached as Schedule "A" hereto.

##### **Composition of Audit Committee**

As at the date of this Information Circular, the following individuals are the current members of the Audit Committee and will hold office until the next annual general meeting of shareholders of the Company:

Pratapvir Sandhu	Not Independent <sup>(1)(2)</sup>	Financially Literate <sup>(2)</sup>
Mohammad Fazil	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Alnasir Virani (Chair)	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>

(1) Pratapvir Sandhu is the current CEO and Corporate Secretary of the Company and is not considered independent under NI 52-110.

(2) For the purposes of the requirements established by NI 52-110 applicable to venture issuers.

The members of the Audit Committee are elected by the Board at its first meeting following each annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

### **Relevant Education and Experience**

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

**Pratapvir Sandhu** – Mr. Sandhu is an entrepreneur with over 10 years of experience in food manufacturing and distribution, product research and development, manufacturing processes, product marketing and sales and product distribution. This experience primarily comes from his involvement with Prabu Foods. Pratap studied marketing, professional sales at BCIT.

**Mohammad Fazil** – Mr. Fazil has been active in venture capital for over 25 years. Mr. Fazil has a Bachelor's degree in Economics from the University of Calgary. He is the founder and President of Lion Park Capital, a private financial advisory firm helping companies raise funding and list on a Canadian stock exchange. He is the Chairman of the Calgary branch of the TSX Venture Exchange's Listing Advisory Committee and a member of the National Advisory Committee.

**Alnasir Virani** - Mr. Virani has a CA from the London School of Economics. He has experience working with and investing in startups and junior stage issuers, in a variety of industries including: property, food and tech companies. He helped raised over \$6 million in financing, while continuing to operate First Choice Foods.

### **Audit Committee Oversight**

At no time since the commencement of the Company'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.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (De Minimis Non-Audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52- 110 in whole or in part.

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

The Audit Committee will have authority and responsibility for pre-approval of all non-audit services to be provided to the Company or its subsidiary entities by the external auditors or the external auditors of the Company's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.

### **External Auditors Service Fees (By Category)**

The following table sets out the aggregate fees billed by Baker Tilly WM LLP, the Company's external auditor, for the years ended October 31, 2022 and 2021.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
October 31, 2022	\$54,330	N/A	\$3,000	N/A
October 31, 2021	\$15,000	N/A	\$1,500	N/A

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.

(2) "Audit Related Fees" include the aggregate fees billed in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### **CORPORATE GOVERNANCE DISCLOSURE**

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through any of its subcommittees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the food manufacturing industry and, in particular, the health food industry in order to identify and manage risks. The Board is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are Mohammad Fazil and Alnasir Virani. Pratapvir Sandhu, by reason of being CEO of the Company, is a non-independent member of the Board.

### **Directorships**

The following table sets out information regarding other directorships presently held by directors of the Company with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

Name of Director	Name of Other Reporting Issuer	Exchange
Mohammad Fazil	Comprehensive Healthcare Systems Inc. (formerly Greenstone Capital Corp.)	TSX Venture Exchange
	Florence One Capital Inc.	TSX Venture Exchange
	ITOK Capital Corp.	Not listed on any exchange
	Smooth Rock Ventures Corp.	TSX Venture Exchange

### **Orientation and Continuing Education**

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records and management provide regular updates to the Board members on financial, technical and other information as relevant.

### **Ethical Business Conduct**

While the Company has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

### **Nomination of Directors**

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and, in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

### **Compensation of Directors and the CEO**

The entire Board acts as a *de facto* compensation committee to monitor and review the salary and benefits of its executive officers. The Board will periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation until a compensation committee is formed.

### **Other Board Committees**

At present, the only committee the Company has is an Audit Committee. The Company may create other committees in the future.

## Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Approval of Omnibus Incentive Plan

Effective February 13, 2023, the Board approved the adoption of a rolling 15% omnibus incentive plan (the "**New Plan**") to provide for the grant of stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**" and together with the RSUs, "**Share Units**") and deferred share units ("**DSUs**" and together with the Options and Share Units, "**Awards**").

The Board approved the adoption of the New Plan to replace the Company's original rolling 10% stock option plan, as approved by the Board on February 14, 2022, which only provided for the grant of stock options.

The New Plan is a "rolling" incentive plan that sets the maximum number of Shares reserved for issuance pursuant to the exercise of Options, together with the number of Shares reserved for issuance pursuant to the settlement of Share Units and DSUs and the number of Shares reserved for issuance pursuant to any other security based compensation arrangement of the Company, at 15% of the number of Shares issued and outstanding on a non-diluted basis from time to time. For clarity, the maximum number of Shares reserved for issuance under the New Plan may be comprised either entirely of Shares reserved for issuance pursuant to: the exercise of Options, the settlement of Share Units or DSUs, or a combination thereof.

### *Summary of the New Plan*

The following is a summary of the key provisions of the New Plan, a copy of which is attached hereto as Schedule "B". The following summary is qualified in all respects by the full text of the New Plan. All terms used but not defined in this section have the meaning ascribed thereto in the New Plan.

### *Purpose*

The purpose of the New Plan is:

- (a) to increase the interest in the Company's welfare of those employees, officers, directors and consultants (who are considered "**Eligible Participants**" under the New Plan) who share responsibility for the management, growth and protection of the business of the Company or a subsidiary of the Company;



- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a subsidiary of the Company and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a subsidiary of the Company are necessary or essential to its success, image, reputation or activities;
- (c) to reward Eligible Participants for their performance of services while working for the Company or a subsidiary of the Company; and
- (d) to provide a means through which the Company or a subsidiary of the Company may attract and retain able persons to enter its employment or service.

#### *Plan Administration*

The New Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. Subject to the terms of the New Plan, applicable law and the rules of the Canadian Securities Exchange (the "CSE"), the Board (or its delegate) will have the power and authority to: (i) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "**Participant**"), (ii) designate the types and amount of Awards to be granted to each Participant, (iii) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Company or of an individual ("**Performance Criteria**"); (iv) interpret and administer the New Plan and any instrument or agreement relating to it, or any Award made under it; and (v) make such amendments to the New Plan and Awards as are permitted by the New Plan and the policies of the CSE.

#### *Shares Available for Awards*

Subject to adjustment as provided for under the New Plan, and as may be approved by the CSE and the shareholders of the Company from time to time, the maximum number of Shares reserved for issuance, in the aggregate, pursuant to the exercise of Options or to the settlement of Share Units and DSUs granted under the New Plan shall be equal to 15% of the issued and outstanding Shares of the Company on a non-diluted basis from time to time, less the number of Shares reserved for issuance pursuant to any other Share Compensation Arrangement of the Company, if any.

#### *Participation Limits*

The New Plan provides the following limitations on grants:

- (a) In no event shall the New Plan, together with all other previously established and outstanding Share Compensation Arrangements of the Company, permit at any time:
  - (i) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares of the Company on a non-diluted basis; or
  - (ii) the grant to Insiders (as a group), within any 12 month period, of an aggregate

number of Awards exceeding 10% of the issued and outstanding Shares on a non-diluted basis of the Company, calculated at the date an Award is granted to any Insider,

unless the Company has obtained the requisite disinterested shareholder approval.

- (b) The aggregate number of Awards granted to any one person (and companies wholly-owned by that person) in any 12 month period shall not exceed 5% of the issued and outstanding Shares on a non-diluted basis of the Company, calculated on the date an Award is granted to the person, unless the Company has obtained the requisite disinterested shareholder approval.
- (c) The aggregate number of Awards granted to any one Consultant in any 12 month period shall not exceed 2% of the issued and outstanding Shares on a non-diluted basis of the Company, calculated at the date an Award is granted to the Consultant.
- (d) The aggregate number of Options granted to all Investor Relations Service Providers shall not exceed 1% of the issued and outstanding Shares on a non-diluted basis of the Company in any 12 month period, calculated at the date an Option is granted to any such person.

#### *Eligible Participants*

In respect of a grant of Options, an Eligible Participant is any director, executive officer, employee, Management Company Employee or Consultant of the Company or any of its subsidiaries. In respect of a grant of Share Units, an Eligible Participant is any director, executive officer, employee, Management Company Employee or Consultant of the Company or any of its subsidiaries other than a Person retained to provide Investor Relations Activities. In respect of a grant of DSUs, an Eligible Participant is any non-employee director of the Company or any of its subsidiaries other than a Person retained to provide Investor Relations Activities.

#### *Description of Awards*

##### *Options*

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at a specified exercise price (the "**Option Price**"). Options are exercisable over a period established by the Board from time to time and reflected in the Participant's Option Agreement, which period shall not exceed 10 years from the date of grant. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include Performance Criteria related to corporate or individual performance.

Notwithstanding the expiration provisions set forth in the New Plan, if the date on which an Option expires falls within a Blackout Period (as defined in the New Plan), the expiration date of the Option will be the date that is ten (10) Business Days after the Blackout Period Expiry Date. The Option Price shall not be set at less than the Market Value of a Share (as defined in the New Plan) as of the date of the grant.

### *Share Units*

A Share Unit is an Award that is a bonus for services rendered in the year of grant that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board, a Share. The right of a holder to have their Share Units redeemed is subject to such restrictions and conditions on vesting as the Board may determine at the time of grant. The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the New Plan.

The Board shall have sole discretion to determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria, or other vesting conditions with respect to a Share Unit, as contained in the Share Unit Agreement, have been met and shall communicate to a Participant as soon as reasonably practicable the date on which all such applicable vesting conditions or Performance Criteria have been satisfied and the Share Units have vested. Subject to the vesting and other conditions and provisions in the New Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Board in its sole discretion may determine, in each case less any applicable withholding taxes. The Company (or the applicable subsidiary) may, in its sole discretion, elect to settle all or any portion of the cash payment obligation by the delivery of Shares issued from treasury or acquired by a Designated Broker in the open market on behalf of the Participant. Subject to the terms and conditions in the New Plan, vested Share Units shall be redeemed by the Company (or the applicable subsidiary) as described above on the earlier of the expiry date of the Share Units or the 15<sup>th</sup> day following the vesting date.

Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period, the vesting date of such Share Units will be deemed to be the date that is the earlier of ten (10) Business Days after the Blackout Period Expiry Date and the Share Unit expiry date.

### *Deferred Share Units*

A DSU is an Award for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to receive cash or acquire Shares, as determined by the Company in its sole discretion. The grant of a DSU by the Board shall be evidenced by a DSU Agreement in such form not inconsistent with the New Plan.

A Participant is only entitled to redemption of a DSU when the Participant ceases to be a director of the Company for any reason, including termination, retirement or death. The Board does not have the right to alter the vesting conditions of DSUs, which conditions will immediately vest upon termination of the Participant's employment.

Subject to the vesting and other conditions and provisions in the New Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Company in its sole discretion may determine.

DSUs shall be redeemed and settled by the Company as soon as reasonably practicable following the Participant's termination date, but in any event not later than, and any payment (either in cash or in Shares) in respect of the settlement of such DSUs shall be made no later than, December 15<sup>th</sup> of the first calendar year commencing immediately after the Participant's termination date. The Company will have, at its sole discretion, the ability to elect to settle all or any portion of the cash payment obligation by the delivery of Shares issued from treasury or acquired by a Designated Broker in the open market on behalf of the Participant.

*Amendment or Discontinuance*

The Board may amend the New Plan or any Award at any time without the consent of the Participants, provided that such amendment shall not adversely alter or impair the rights of any Participant without the consent of such Participant (except as permitted by the provisions of the New Plan), is in compliance with applicable law, and subject to any regulatory approvals including, where required, the approval of the CSE (or any other stock exchange on which the Shares are listed) and is subject to shareholder approval to the extent such approval is required by applicable law or the requirements of the CSE (or any other stock exchange on which the Shares are listed), provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Company, make the following amendments:

- (a) any amendment, with the consent of the Participant, to the terms of an Award previously granted to such Participant under the New Plan;
- (b) any amendment necessary to comply with applicable law (including taxation laws) or the requirements of the CSE (or any other stock exchange on which the Shares are listed) or any other regulatory body to which the Company is subject;
- (c) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the New Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the New Plan that is inconsistent with any other provision of the New Plan, correcting grammatical or typographical errors and amending the definitions contained within the New Plan; or
- (d) any amendment regarding the administration of the New Plan.

Notwithstanding the foregoing, the Board shall be required to obtain shareholder approval, as required by the CSE, including, if required by the CSE, disinterested shareholder approval, to make the any amendment to the maximum percentage or number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards granted under the New Plan, including an increase to the fixed maximum percentage of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number of Shares or vice versa, except in the event of a permitted adjustment arising from a reorganization of the Company's share capital or certain other transactions.

The Board may, subject to regulatory approval, discontinue the New Plan at any time without the consent of the Participants, provided that any such discontinuance does not materially and adversely affect any Awards previously granted to a Participant under the New Plan.

*Omnibus Incentive Plan Resolution*

At the Meeting, the following resolution (the “**Omnibus Incentive Plan Resolution**”), with or without variation, will be placed before the Shareholders:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF SHAREHOLDERS, THAT:**

1. the proposed omnibus share incentive plan of the Company (the “**New Plan**”), substantially in the form attached to the information circular of the Company dated March 28, 2023 as Schedule “B” is hereby approved and confirmed as the omnibus share incentive plan of the Company;
2. the Board or any director or officer is authorized to make amendments to the New Plan from time to time as required or deemed necessary by the Canadian Securities Exchange or as the Board, or director or officer may, in its sole discretion, deem to be necessary, advisable or desirable, provided that such amendments will be subject to the approval of all applicable regulatory authorities; and
3. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary, advisable or desirable to carry out the terms of the foregoing resolutions.

If the Omnibus Incentive Plan Resolution is passed by a simple majority of Shareholder votes cast in person or by proxy at the Meeting, the New Plan will take effect following the Meeting. If Shareholders do not approve the New Plan, the New Plan will be terminated and the New Plan will be of no further force or effect. Management of the Company recommends that the shareholders vote in favour of the Omnibus Incentive Plan Resolution. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Omnibus Incentive Plan Resolution.**

**Ratification of Security Based Compensation Grants**

Since February 13, 2023, the Board approved the grant of an aggregate of 1,047,750 stock options and 2,050,000 restricted share units for an aggregate grant of 3,097,750 awards to certain consultants of the Company as follows:

Name and Position of Awardee	Type of Security-Based Compensation	Number Granted	Exercise Price	Term	Vesting Term
Munir Ali	Stock Options	200,000	\$0.18	3 years	N/A

Name and Position of Awardee	Type of Security-Based Compensation	Number Granted	Exercise Price	Term	Vesting Term
<i>Consultant</i>	Restricted Share Units	1,300,000	N/A	N/A	1/3 vested after 6 months, 1/3 vested after 12 months and the final 1/3 vested after 18 months
Johnathan More <i>Consultant</i>	Stock Options	200,000	\$0.18	3 years	N/A
	Restricted Share Units	550,000	N/A	N/A	1/3 vested after 6 months, 1/3 vested after 12 months and the final 1/3 vested after 18 months
Divine Specialty Teas Co Ltd. <i>Consultant</i>	Restricted Share Units	200,000	N/A	N/A	Fully vest on April 16, 2024
Gurdarshan Singh Mangat <i>Consultant</i>	Stock Options	50,000	\$0.18	3 years	N/A
Aleem Nathwani <i>Consultant</i>	Stock Options	200,000	\$0.18	3 years	N/A
JC Media Inc. <i>Consultant</i>	Stock Options	97,750	\$0.18	3 years	N/A
Jordan Melville <i>Consultant</i>	Stock Options	300,000	\$0.18	3 years	N/A
	<b>TOTAL</b>	<b>3,097,750</b>			

At the Meeting, the Disinterested Shareholders (as defined below) will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below (the "**Security Based Compensation Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, to approve, ratify and confirm the stock option grants and restricted share unit grants set forth in the table above (the "**Security Based Compensation Grants**").

In order to be passed, the Security Based Compensation Grant Resolution must be approved by a majority of the votes cast at the Meeting by all Shareholders, present in person or represented by proxy, excluding, with respect to each individual Security Based Compensation Grant, the votes attaching to Shares beneficially owned by Shareholders receiving the particular Security Based Compensation Grant and their respective associates (as such term is defined in the *Securities Act* (British Columbia)) (in each case, the "**Disinterested Shareholders**"). Each individual set out in the table above is ineligible to vote for the approval of their respective Security Based Compensation Grant. The number of Shares held by such individuals (and the percentage of the total Shares outstanding) is disclosed in the table above.

Accordingly, at the Meeting, the Disinterested Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

**"UPON MOTION IT WAS RESOLVED THAT:**

1. the grant of an aggregate of 3,097,750 stock options and restricted share units of the Company under the Company's omnibus incentive plan, as more particularly set out in the Information Circular dated March 28, 2023, be and are hereby confirmed, ratified and approved; and
2. any one officer or director of the Company is hereby authorized to execute and deliver all such documents and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

Management of the Company recommends that the Disinterested Shareholders vote in favour of the Security Based Compensation Grant Resolution. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Security Based Compensation Grant Resolution.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its office at 12181 New McLellan Road, Surrey, BC V3X 2X8, to request copies of the Company's financial statements and the related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available at [www.sedar.com](http://www.sedar.com).

**OTHER MATTERS**

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

**APPROVAL OF THE BOARD OF DIRECTORS**

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

Dated at Vancouver, British Columbia, as of this 28<sup>th</sup> day of March, 2023.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**PANGEA NATURAL FOODS INC.**

*“Pratapvir Sandhu”*

**Pratapvir Sandhu**

Chief Executive Officer, Corporate Secretary and Director



## Schedule "A"

### AUDIT COMMITTEE CHARTER

#### PANGEA NATURAL FOODS INC. (the "Company")

#### I. PURPOSE

This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**"), annual evaluation and compliance with this charter. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### II. COMPOSITION

A majority of the members of the Audit Committee must not be executive officers, as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), or employees or control persons of the Company or of an affiliate of the Company, as these terms are otherwise defined under applicable securities legislation, provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

The Chair of the Audit Committee will be appointed by the Board.

#### III. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- A. engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- B. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

- C. incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

#### **IV. DUTIES AND RESPONSIBILITIES**

- A. The duties and responsibilities of the Audit Committee include:

1. recommending to the Board the external auditor to be nominated by the Board;
2. recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
3. reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
4. overseeing the work of the external auditor;
5. ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
6. ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
7. ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
8. reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in

accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

9. reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
10. reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
11. reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
12. reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
13. reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
14. satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
15. overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
16. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
17. reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
18. satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the

functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

19. resolving disputes between management and the external auditor regarding financial reporting;
20. establishing procedures for:
  - a. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto, and
  - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
21. reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
22. pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
23. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
24. establishing procedures for:
  - a. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
  - b. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
  - c. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
  - d. reviewing fraud prevention policies and programs, and monitoring their implementation;
  - e. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

- i. tax and financial reporting laws and regulations;
  - ii. legal withholding requirements;
  - iii. environmental protection laws and regulations;
  - iv. other laws and regulations which expose directors to liability; and
- B. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- C. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

#### **V. TERM**

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

#### **VI. MEETINGS**

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

**VII. REPORTS**

The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

**VII. MINUTES**

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**VII. ANNUAL PERFORMANCE EVALUATION**

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the charter, to determine the effectiveness of the Committee

**Schedule "B"**

**OMNIBUS INCENTIVE PLAN**

**(see attached)**

**PANGEA NATURAL FOODS INC.**  
**OMNIBUS SHARE INCENTIVE PLAN**

**FEBRUARY 14, 2023**



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**PANGEA NATURAL FOODS INC.**

**OMNIBUS SHARE INCENTIVE PLAN**

Pangea Natural Foods Inc. (the "**Corporation**") hereby establishes an omnibus share incentive plan for certain qualified directors, executive officers, employees and Consultants (as defined herein) of the Corporation or any of its Subsidiaries (as defined herein).

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Account**" means a notional account maintained for each Participant on the books of the Corporation which will be credited with Share Units or DSUs, as applicable, in accordance with the terms of this Plan;

"**Award**" means any of an Option, Share Unit or DSU granted pursuant to, or otherwise governed by, the Plan;

"**Award Agreement**" means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a Share Unit Agreement, a DSU Agreement, an Employment Agreement or a Consulting Agreement;

"**Blackout Period**" means a period during which the Corporation prohibits Participants from trading securities of the Corporation which is formally imposed by the Corporation pursuant to its internal trading policies (which, for greater certainty, does not include a period during which a Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation's securities);

"**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;

"**Board**" means the board of directors of the Corporation as constituted from time to time;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when Canadian chartered banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

"**Cause**" has the meaning ascribed thereto in Section 6.2(1) hereof;

"**Change of Control**" means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in paragraph (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of assets, rights or properties of the Corporation or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other Person, other than a disposition to a wholly-owned Subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its wholly-owned Subsidiaries;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, immediately prior to a particular time, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board immediately following such time; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a

majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

**"Consultant"** means an individual (other than an employee, executive officer or director of the Corporation or a Subsidiary) or company that: (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution; (b) provides the services under a written contract between the Corporation or the Subsidiary and the individual or company, as the case may be; (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary; and (d) has a relationship with the Corporation or a Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Corporation;

**"Consulting Agreement"** means any written consulting agreement between the Corporation or a Subsidiary and a Participant who is a Consultant;

**"Corporation"** means Pangea Natural Foods Inc.;

**"CSE"** means Canadian Securities Exchange;

**"Designated Broker"** means a broker who is independent of, and deals at arm's length with, the Corporation and its Subsidiaries and is designated by the Corporation;

**"Dividend Equivalent"** means additional Share Units or DSUs credited to a Participant's Account as a dividend equivalent pursuant to Section 4.7 or Section 5.6, respectively;

**"DSU"** means a deferred share unit, which is a right awarded to a Participant to receive a payment as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

**"DSU Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, a form of which is attached hereto as Exhibit "D";

**"DSU Redemption Date"** means, with respect to a particular DSU, the date on which such DSU is redeemed in accordance with the provisions of this Plan;

**"Eligible Participant"** means: (a) in respect of a grant of Options, any director, executive officer, employee or Consultant of the Corporation or any of its Subsidiaries, (b) in respect of a grant of Share Units, any director, executive officer, employee or Consultant of the Corporation or any of its Subsidiaries other than Persons retained to provide Investor Relations Activities, and (c) in respect of a grant of DSUs, any Non-Employee Director other than Persons retained to provide Investor Relations Activities;

**"Employment Agreement"** means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant;

"**Exchange**" means the CSE or, if the Shares are not listed and posted for trading on the CSE at a particular date, such other stock exchange or trading platform upon which the Shares are listed and posted for trading and which has been designated by the Board;

"**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Option, if applicable;

"**Insider**" has the meaning ascribed thereto in the *Securities Act* (British Columbia);

"**Investor Relations Activities**" has the meaning ascribed thereto in the Exchange policies;

"**ITA**" means the *Income Tax Act* (Canada), as amended from time to time;

"**ITA Regulations**" means the regulations promulgated under the ITA, as amended from time to time;

"**Market Value of a Share**" means, with respect to any particular date as of which the Market Value of a Share is required to be determined, (a) if the Shares are then listed on the CSE, the closing price of the Shares on the CSE on the last Trading Day prior to such particular date; (b) if the Shares are not then listed on the CSE, the closing price of the Shares on any other stock exchange on which the Shares are then listed (and, if more than one, then using the stock exchange on which a majority of trading in the Shares occurs) on the last Trading Day prior to such particular date; or (c) if the Shares are not then listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith, and such determination shall be conclusive and binding on all Persons;

"**Non-Employee Director**" means a member of the Board who is not otherwise an employee or executive officer of the Corporation or a Subsidiary;

"**Option**" means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price;

"**Option Agreement**" means a written agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, a form of which is attached hereto as Exhibit "A";

"**Option Price**" has the meaning ascribed thereto in Section 3.2(1) hereof;

"**Option Term**" has the meaning ascribed thereto in Section 3.4 hereof;

"**Outstanding Issue**" means the number of Shares that are issued and outstanding as at a specified time, on a non-diluted basis;

"**Participant**" means any Eligible Participant that is granted one or more Awards under the Plan;

"**Performance Criteria**" means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Option or Share Unit;

**"Performance Period"** means the period determined by the Board at the time any Option or Share Unit is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Option or Share Unit are to be measured;

**"Performance Share Unit" or "PSU"** has the meaning ascribed thereto in Section 4.1 hereof;

**"Person"** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**"Plan"** means this Omnibus Share Incentive Plan, including the exhibits hereto, as amended or amended and restated from time to time;

**"Redemption Date"** has the meaning ascribed thereto in Section 4.5(1) hereof;

**"Reserved Amount"** has the meaning ascribed thereto in Section 2.4(1)(c) hereof;

**"Restricted Share Unit" or "RSU"** has the meaning ascribed thereto in Section 4.1 hereof;

**"Restriction Period"** means, with respect to a particular grant of Share Units, the period between the date of grant of such Share Units and the latest Vesting Date in respect of any portion of such Share Units;

**"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury by a full-time employee, officer, director, Insider or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

**"Share Unit"** means a right awarded to a Participant to receive a payment as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**"Share Unit Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of Share Units and the terms and conditions thereof, a form of which is attached hereto as Exhibit "C";

**"Share Unit Outside Expiry Date"** has the meaning ascribed thereto in Section 4.5(4) hereof;

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

**"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;

**"Termination Date"** means (a) in the event of a Participant's resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Corporation or one of its Subsidiaries, (b) in the event of the termination of a Participant's employment, or position as director or executive officer of the Corporation or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the

Corporation or the Subsidiary, as the case may be, and (c) in the event of a Participant's death, the date of death, provided that, in all cases, in applying the provisions of this Plan to DSUs granted to a Canadian Participant, the "Termination Date" shall be the latest date on which the Participant is neither a director, executive officer or employee of the Corporation or of any affiliate of the Corporation;

"**Termination of Service**" means that a Participant has ceased to be an Eligible Participant;

"**Trading Day**" means any day on which the Exchange is open for trading; and

"**Vesting Date**" has the meaning ascribed thereto in Section 4.4 hereof.

## **1.2 Interpretation**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion or authority, as the case may be, of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation".
- (5) In this Plan, the expressions "Article", "Section" and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (6) Unless otherwise specified in the Participant's Award Agreement, all references to dollar amounts are to Canadian currency, and where any amount is required to be converted to or from a currency other than Canadian currency, such conversion shall be based on the exchange rate quoted by the Bank of Canada on the particular date.
- (7) For purposes of this Plan, the legal representatives of a Participant shall only include the legal representative of the Participant's estate or will.
- (8) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.



**ARTICLE 2**  
**PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

**2.1 Purpose of the Plan**

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

**2.2 Implementation and Administration of the Plan**

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. If such committee is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 7 and any applicable rules of the Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operation of the Plan as it may deem necessary or advisable. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.

- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board, or any Person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **2.3 Participation in this Plan**

- (1) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant, vesting, exercise or settlement of an Award or any transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Corporation nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the Plan) to compensate for a downward fluctuation in the price of the Shares or any shares of the Corporation or of a related (within the meaning of the ITA) corporation, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

- (3) Unless otherwise determined by the Board, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

## **2.4 Shares Subject to the Plan**

- (1) Subject to adjustment pursuant to Article 7 hereof, and as may be approved by the Exchange and the shareholders of the Corporation from time to time:
  - (a) the securities that may be acquired by Participants pursuant to Awards under this Plan shall consist of authorized but unissued Shares, provided that in the case of Share Units and DSUs, the Corporation (or applicable Subsidiary) may, at its sole discretion, elect to settle such Share Units or DSUs in Shares acquired in the open market by a Designated Broker for the benefit of a Participant;
  - (b) the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan shall not exceed 15% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the Shares covered by Awards which have been settled, exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (2) For the purposes of calculating the number of Shares reserved for issuance under this Plan:
  - (a) each Option shall be counted as reserving one Share under the Plan, and
  - (b) notwithstanding that the settlement of any Share Unit or DSU in Shares shall be at the sole discretion of the Corporation as provided herein, each Share Unit and each DSU shall, in each case, be counted as reserving one Share under the Plan.
- (3) No Award may be granted if such grant would have the effect of causing the total number of Shares reserved for issuance under this Plan to exceed the maximum number of Shares reserved for issuance under this Plan as set out above.
- (4) If (a) an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised, or (b) an outstanding Award (or portion thereof) is settled in cash, then in each such case the Shares reserved for issuance in respect of such Award (or portion thereof) will again be available for issuance under the Plan.

## **2.5 Participation Limits**

- (1) In no event shall this Plan, together with all other previously established and outstanding Share Compensation Arrangements of the Corporation, permit at any time:
  - (a) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the Outstanding Issue; or
  - (b) the grant to Insiders (as a group), within any 12-month period, of an aggregate number of Awards exceeding 10% of the Outstanding Issue, calculated at the date an Award is granted to any Insider,

unless the Corporation has obtained the requisite disinterested shareholder approval.

- (2) The aggregate number of Awards granted to any one Person (and companies wholly-owned by that Person) in any 12-month period shall not exceed 5% of the Outstanding Issue, calculated on the date an Award is granted to the Person, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (3) The aggregate number of Awards granted to any one Consultant in any 12-month period shall not exceed 2% of the Outstanding Issue, calculated at the date an Award is granted to the Consultant.
- (4) The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities shall not exceed 1% of the Outstanding Issue in any 12-month period, calculated at the date an Option is granted to any such Person.

## **2.6 Granting of Awards**

Any Award granted under or otherwise governed by the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant, exercise or settlement of such Award or the issuance or purchase of Shares thereunder, as applicable, such Award may not be granted, exercised or settled, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

## ARTICLE 3 OPTIONS

### 3.1 Nature of Options

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For greater certainty, the Corporation is obligated to issue and deliver the designated number of Shares on the exercise of an Option and shall have no independent discretion to settle an Option in cash or other property other than Shares issued from treasury. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### 3.2 Option Awards

- (1) Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive Options under the Plan, (b) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted (which shall not be prior to the date of the resolution of the Board), (c) subject to Section 3.3, determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**"), (d) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (e) determine the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of the applicable Exchange. For Options granted to employees and Consultants, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* employee or Consultant, as the case may be.
- (2) All Options granted herein shall vest in accordance with the terms of the Option Agreement entered into in respect of such Options.

### 3.3 Option Price

The Option Price in respect of any Option shall be determined and approved by the Board when such Option is granted, and the Option Price in respect of any Option shall be not less than:

- (1) if the Shares are then listed on the CSE, the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of such Option and (b) the date of grant of such Option;
- (2) if the Shares are not then listed on the CSE, the closing price of the Shares on any other stock exchange on which the Shares are then listed (and, if more than one, then using the stock exchange on which a majority of trading in the Shares occurs) on the last Trading Day prior to such particular date; or

- (3) if the Shares are not then listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith, and such determination shall be conclusive and binding on all Persons.

### **3.4 Option Term**

The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date of grant of the Option ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled, without any compensation, at the expiry of such Options. Notwithstanding the expiration provisions hereof, if the date on which an Option Term expires falls within a Blackout Period, the expiration date of the Option will be the date that is ten (10) Business Days after the Blackout Period Expiry Date. Notwithstanding anything else herein contained, the ten (10) Business Day period referred to in this Section 3.4 may not be further extended by the Board.

### **3.5 Exercise of Options**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board, at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in compliance with the Corporation's insider trading policy, if and as implemented from time to time.

### **3.6 Method of Exercise and Payment of Purchase Price**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the legal representative of the Participant) by delivering a fully completed Exercise Notice, a form of which is attached hereto as Exhibit "B", to the Corporation at its registered office to the attention of the Chief Financial Officer of the Corporation (or the individual that the Chief Financial Officer of the Corporation may from time to time designate) or by giving notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by payment, in full, of (a) the Option Price multiplied by the number of Shares specified in such Exercise Notice, and (b) such amount in respect of withholding taxes and other applicable source deductions as the Corporation may require under Section 8.2. Such payment shall be in the form of cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board.
- (2) Upon exercise of an Option, the Corporation shall, as soon as practicable after such exercise and receipt of all payments required to be made by the Participant to the Corporation in connection with such exercise, but no later than ten (10) Business Days following such exercise and payment, forthwith cause the transfer agent and registrar of the Shares either to:

- (a) deliver to the Participant (or to the legal representative of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or the legal representative of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the legal representative of the Participant) shall have then paid for and as are specified in such Exercise Notice, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.
- (3) No fractional Shares will be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 7.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **3.7 Option Agreements**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "A". The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the Option shall be continuously governed by section 7 of the ITA) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

## **ARTICLE 4 RESTRICTED AND PERFORMANCE SHARE UNITS**

### **4.1 Nature of Share Units**

A Share Unit is an Award that is a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board, a Share, and subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, unless such Share Unit expires prior to being settled. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship (sometimes referred to as a "**Restricted Share Unit**" or "**RSU**"), the achievement of specified Performance Criteria (sometimes referred to as a "**Performance Share Unit**" or "**PSU**"), or both.

## 4.2 Share Unit Awards

- (1) Subject to the provisions herein and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive Share Units under the Plan, (b) fix the number of Share Units, if any, to be granted to each Eligible Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions, vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such Share Units, and (d) determine any other terms and conditions applicable to the granted Share Units, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any Share Unit Agreement. For Share Units granted to employees and Consultants, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* employee or Consultant, as the case may be.
- (2) All Share Units granted herein shall vest in accordance with the terms of the Share Unit Agreement entered into in respect of such Share Units.
- (3) Subject to the vesting and other conditions and provisions in this Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Board in its sole discretion may determine, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Board to settle any Share Unit, or a portion thereof, in the form of Shares, the Board reserves the right to change such form of payment at any time until payment is actually made.

## 4.3 Share Unit Agreements

The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "C". Such Share Unit Agreement 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 Share Unit Agreement. The provisions of the various Share Unit Agreements issued under this Plan need not be identical.



#### 4.4 Vesting of Share Units

The Board shall have sole discretion to (a) determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria or other vesting conditions contained in the applicable Share Unit Agreement, have been met, (b) waive the vesting conditions applicable to Share Units (or deem them to be satisfied), and (c) extend the Restriction Period with respect to any grant of Share Units, provided that any such extension shall not result in the Restriction Period for such Share Units extending beyond the Share Unit Outside Expiry Date. The Corporation shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of Share Units to the Participant have been satisfied, waived or deemed satisfied and such Share Units have vested (the "**Vesting Date**"). Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period or within nine Business Days after a Blackout Period Expiry Date, the Vesting Date of such Share Units will be deemed to be the date that is the earlier of (i) ten Business Days after the Blackout Period Expiry Date (which ten Business Day period may not be further extended by the Board) and (ii) the Share Unit Outside Expiry Date in respect of such Share Units.

#### 4.5 Redemption / Settlement of Share Units

- (1) Subject to the provisions of this Section 4.5 and Section 4.6, a Participant's vested Share Units shall be redeemed in consideration for a cash payment on the date (the "**Redemption Date**") that is the earliest of (a) the 15<sup>th</sup> day following the applicable Vesting Date for such vested Share Units (or, if such day is not a Business Day, on the immediately following Business Day), and (b) the Share Unit Outside Expiry Date.
- (2) Subject to the provisions of this Section 4.5 and Section 4.6, during the period between the Vesting Date and the Redemption Date in respect of a Participant's vested Share Units, the Corporation (or any Subsidiary that is party to an Employment Agreement or Consulting Agreement with the Participant whose vested Share Units are to be redeemed) shall, at its sole discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested Share Units either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (3) Settlement of a Participant's vested Share Units shall take place on the Redemption Date as follows:
  - (a) where the Corporation (or applicable Subsidiary) has elected to settle all or a portion of the Participant's vested Share Units in Shares issued from treasury:
    - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal

- representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 8.2; or
- (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
- (b) where the Corporation or a Subsidiary has elected to settle all or a portion of the Participant's vested Share Units in Shares purchased in the open market, by delivery by the Corporation or Subsidiary of which the Participant is a director, executive officer, employee or Consultant to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the Redemption Date multiplied by the number of vested Share Units to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 8.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;
  - (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's Share Units that the Corporation or a Subsidiary has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation or Subsidiary of which the Participant is a director, executive officer, employee or Consultant, in cash, by cheque or by such other payment method as the Corporation and Participant may agree; and
  - (d) where the Corporation or a Subsidiary has elected to settle a portion, but not all, of the Participant's vested Share Units in Shares, the Participant shall be deemed to have instructed the Corporation or Subsidiary, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 8.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Corporation or Subsidiary, as applicable, shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative

of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's Share Units in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Corporation or a Subsidiary pursuant to Section 8.2, the Corporation or Subsidiary, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Corporation or Subsidiary as appropriate.

- (4) Notwithstanding any other provision in this Article 4, no payment, whether in cash or in Shares, shall be made in respect of the settlement of any Share Units later than December 15<sup>th</sup> of the third (3<sup>rd</sup>) calendar year following the end of the calendar year in respect of which such Share Unit is granted (the "**Share Unit Outside Expiry Date**").

#### **4.6 Determination of Amounts**

- (1) The cash payment obligation arising in respect of the redemption and settlement of a vested Share Unit pursuant to Section 4.5 shall be equal to the Market Value of a Share as of the applicable Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested Share Units shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, be equal to the Market Value of a Share as of the Redemption Date for such vested Share Units multiplied by the number of vested Share Units in the Participant's Account at the commencement of the Redemption Date (after deducting any such vested Share Units in the Participant's Account in respect of which the Corporation (or applicable Subsidiary) makes an election under Section 4.5(2) to settle such vested Share Units in Shares).
- (2) If the Corporation (or applicable Subsidiary) elects in accordance with Section 4.5(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested Share Units by the issuance of Shares, the Corporation shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, issue to the Participant (or the legal representative of the Participant, if applicable), for each vested Share Unit which the Corporation (or applicable Subsidiary) elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 7.1 and/or any withholding required pursuant to Section 8.2, the aggregate number of Shares to be received by a Participant upon an election by the Corporation (or applicable Subsidiary) to settle all or a portion of the Participant's vested Share Units in Shares includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

#### **4.7 Award of Dividend Equivalents**

- (1) Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded as a bonus for services rendered in the year in respect of unvested Share Units in a Participant's Account on the same basis as cash dividends declared and paid

on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional Share Units, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of Share Units in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Share and the denominator of which is the Market Value of a Share calculated as of the date that dividends are paid. Any additional Share Units credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Restriction Periods and expiry) as the Share Units in respect of which such additional Share Units are credited.

- (2) In the event that the Participant's applicable Share Units do not vest, all Dividend Equivalents, if any, associated with such Share Units will be forfeited by the Participant.

## **ARTICLE 5 DEFERRED SHARE UNITS**

### **5.1 Nature of DSUs**

A DSU is an Award for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to receive cash or acquire Shares, as determined by the Corporation in its sole discretion, unless such DSU expires prior to being settled.

For greater certainty, the aggregate of all amounts each of which may be received in respect of a DSU shall depend, at all times, on the fair market value of shares in the capital of the Corporation or any corporation related (within the meaning of the ITA) thereto within the period that commences one year prior to the Participant's Termination Date and ends at the time the amount is received.

### **5.2 DSU Awards**

- (1) Subject to the provisions of this Plan, any shareholder or regulatory approval which may be required, and the requirements of the ITA Regulations, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to any Eligible Participant and the date or dates on which such DSUs shall be granted, and (c) determine the relevant conditions and vesting provisions for such DSUs, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement, as applicable.
- (2) All DSUs granted herein shall vest in accordance with the terms of the DSU Agreement entered into in respect of such DSUs. Notwithstanding any express or implied term of this Plan to the contrary, the Board does not have the right to alter the vesting conditions of DSUs, which conditions will immediately vest upon termination of employment.

- (3) Subject to the vesting and other conditions and provisions in this Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Corporation in its sole discretion may determine. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any DSU, and, notwithstanding any discretion exercised by the Corporation to settle any DSU, or portion thereof, in the form of Shares, the Corporation reserves the right to change such form of payment at any time until payment is actually made.

### **5.3 DSU Agreements**

The grant of a DSU by the Board shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "D". Such DSU Agreement 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 DSU Agreement. The provisions of the various DSU Agreements issued under this Plan need not be identical.

### **5.4 Redemption / Settlement of DSUs**

- (1) Except as otherwise provided in this Section 5.4 or Section 8.8 of this Plan, DSUs of a Participant shall be redeemed and settled by the Corporation as soon as reasonably practicable following the Participant's Termination Date, but in any event not later than, and any payment (whether in cash or in Shares) in respect of the settlement of such DSUs shall be made no later than, December 15<sup>th</sup> of the first (1<sup>st</sup>) calendar year commencing immediately after the Participant's Termination Date.
- (2) The Corporation will have, at its sole discretion, the ability to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the redemption and settlement of a Participant's DSUs either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the DSU Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (3) For greater certainty, the Corporation shall not pay any cash or issue or deliver any Shares to a Participant in satisfaction of the redemption of a Participant's DSUs prior to the Corporation being satisfied, in its sole discretion, that all applicable withholding taxes and other applicable source deductions under Section 8.2 will be timely withheld or received and remitted to the appropriate taxation authorities in respect of any particular Participant and any particular DSUs.

- (4) The redemption and settlement of a Participant's DSUs shall occur on the applicable DSU Redemption Date as follows:
- (a) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares issued from treasury:
    - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 8.2; or
    - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
  - (b) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares purchased in the open market, by delivery by the Corporation to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the applicable DSU Redemption Date multiplied by the number of DSUs to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 8.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;
  - (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's DSUs that the Corporation has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation in cash, by cheque or by such other payment method as the Corporation and Participant may agree; and
  - (d) where the Corporation has elected to settle a portion, but not all, of the Participant's DSUs in Shares, the Participant shall be deemed to have instructed the Corporation to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required

in accordance with Section 8.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding obligations of the Corporation, and the Corporation shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion elected by the Corporation to settle the Participant's DSUs is not sufficient to satisfy the withholding obligations of the Corporation pursuant to Section 8.2, any remaining amounts shall be satisfied by the Corporation by any other mechanism as may be required or determined by the Corporation as appropriate.

## **5.5 Determination of Amounts**

- (1) The cash payment obligation by the Corporation in respect of the redemption and settlement of a DSU pursuant to Section 5.4 shall be equal to the Market Value of a Share as of the applicable DSU Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's DSUs shall, subject to any adjustment in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, be equal to the Market Value of a Share as of the DSU Redemption Date for such DSUs multiplied by the number of DSUs being redeemed (after deducting any such DSUs in respect of which the Corporation makes an election under Section 5.4(2) to settle such DSUs in Shares).
- (2) If the Corporation elects in accordance with Section 5.4(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's DSUs by the issuance of Shares, the Corporation shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, issue to the Participant, for each DSU which the Corporation elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 7.1 and/or any withholding required pursuant to Section 8.2, the aggregate number of Shares to be received by a Participant upon an election by the Corporation to settle all or a portion of the Participant's DSUs includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

## **5.6 Award of Dividend Equivalents**

- (1) Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Share and the denominator of which is the Market Value of a Share

calculated as of the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting conditions) as the DSUs in respect of which such additional DSUs are credited.

- (2) In the event that the Participant's applicable DSUs do not vest, all Dividend Equivalents, if any, associated with such DSUs will be forfeited by the Participant.

## **ARTICLE 6 GENERAL CONDITIONS**

### **6.1 General Conditions Applicable to Awards**

Each Award shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of this Plan and the Award Agreement entered into in respect of such Award. Subject to Article 5.2(2), the Board has the right, in its sole discretion, to waive any vesting conditions or accelerate the vesting of any Award, or to deem any Performance Criteria or other vesting conditions to be satisfied, notwithstanding the vesting schedule set forth for such Award;
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Subsidiaries in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.



- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as a shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing and except as provided under this Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferability.** Except as set forth herein, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of descent and distribution. Awards may be exercised only by:
- (a) the Participant to whom the Awards were granted;
  - (b) upon the Participant's death, by the legal representative of the Participant's estate; or
  - (c) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A Person exercising an Award may subscribe for Shares only in the Person's own name or in the Person's capacity as a legal representative.

- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan (including, without limiting the generality of the foregoing, pursuant to Section 6.2), or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## 6.2 General Conditions Applicable to Options

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's codes of conduct and any other reason determined by the Corporation to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Corporation or a Subsidiary being terminated without Cause (including, for the avoidance of doubt, as a result of any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, as contemplated by Section 6.1(7)), (a) each unvested Option granted to such Participant shall terminate and become void immediately upon such termination, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days after the Participant's Termination Date (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Options as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Corporation or a Subsidiary, (a) each unvested Option granted to such Participant shall terminate and become void immediately upon such resignation, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days after the Participant's Termination Date (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Options as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (4) **Retirement/Permanent Disability.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability, (a) each unvested Option granted to such Participant shall terminate and become void immediately, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Corporation or any Subsidiary by reason of permanent disability (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Options as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, (a) each unvested Option granted to such Participant shall terminate and become void immediately, and (b) each vested Option held by such Participant at the time of death may be exercised by the legal representative of the Participant, provided that any such vested Option shall cease to be exercisable on the earlier of (i) the date that is twelve (12) months after the Participant's death or (ii) the expiry date of such

Option as set forth in the applicable Award Agreement, after which such vested Option will expire.

- (6) **Leave of Absence.** Upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant's participation in the Plan shall be terminated, provided that all vested Options shall remain outstanding and in effect until the applicable exercise date, or an earlier date determined by the Board at its sole discretion.

### 6.3 General Conditions Applicable to Share Units

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, each Share Unit shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all Share Units credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the Termination Date.
- (2) **Death, Leave of Absence or Termination of Service.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (a) death, (b) retirement, (c) Termination of Service for reasons other than for Cause, (d) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (e) becoming eligible to receive long-term disability benefits, all unvested Share Units in the Participant's Account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled. Notwithstanding the foregoing, if the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested Share Units, the date of such action is the Vesting Date.
- (3) **General.** For greater certainty, where (a) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof or (b) a Participant elects for a voluntary leave of absence pursuant to Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular Share Units but before receipt of the corresponding distribution or payment in respect of such Share Units, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **7.1 Adjustment to Shares Subject to Outstanding Awards**

At any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award or the forfeiture or cancellation of such Award, in the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of the Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Corporation of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares or cash payment to which the Participant is entitled upon exercise or settlement of such Award; or
- (c) adjustments to the number or kind of shares reserved for issuance pursuant to the Plan.

### **7.2 Change of Control**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to accelerate the vesting of Options to assist the Participants to tender into a takeover bid or participate in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (a) provide that any or all Options shall thereupon terminate, provided that any such outstanding Options that have vested shall remain exercisable until the consummation of such Change of Control, and (b) permit Participants to conditionally exercise their vested Options immediately prior to the consummation of the take-over bid and the Shares issuable under such Options to be tendered to such bid, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 7.2 is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 7.2 or the definition of "Change of Control": (i) any

conditional exercise of vested Options shall be deemed to be null, void and of no effect, and such conditionally exercised Options shall for all purposes be deemed not to have been exercised, (ii) Shares which were issued pursuant to the exercise of Options which vested pursuant to this Section 7.2 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares, and (iii) the original terms applicable to Options which vested pursuant to this Section 7.2 shall be reinstated. In the event of a Change of Control, the Board may exercise its discretion to accelerate the vesting of, or waive the Performance Criteria or other vesting conditions applicable to, outstanding Share Units, and the date of such action shall be the Vesting Date of such Share Units.

- (2) If the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an officer or employee of, or Consultant to, the Corporation prior to the Change of Control has their Employment Agreement or Consulting Agreement terminated, then:
  - (a) all unvested Options granted to such Participant shall immediately vest and become exercisable, and remain open for exercise until the earlier of (i) their expiry date as set out in the applicable Award Agreement, and (ii) the date that is 90 days after such termination or dismissal; and
  - (b) all unvested Share Units shall become vested, and the date of such Participant's Termination Date shall be deemed to be the Vesting Date.

### **7.3 Amendment or Discontinuance of the Plan**

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants, provided that such amendment shall:
  - (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant, except as permitted by the provisions of the Plan;
  - (b) be in compliance with applicable law (including the provisions of the ITA, to the extent applicable), the policies of the Exchange and subject to any regulatory approvals including, where required, the approval of the Exchange (or any other stock exchange on which the Shares are listed); and
  - (c) be subject to shareholder approval to the extent such approval is required by applicable law or the requirements of the Exchange (or any other stock exchange on which the Shares are listed), provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation, make the following amendments:
    - (i) any amendment, with the consent of the Participant, to the terms of an Award previously granted to such Participant under the Plan;

- (ii) any amendment necessary to comply with applicable law (including taxation laws) or the requirements of the Exchange (or any other stock exchange on which the Shares are listed) or any other regulatory body to which the Corporation is subject;
  - (iii) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors and amending the definitions contained within the Plan; or
  - (iv) any amendment regarding the administration or implementation of the Plan.
- (2) Notwithstanding Section 7.3(1)(c), the Board shall be required to obtain shareholder approval, as required by the Exchange, including, if required by the applicable Exchange, disinterested shareholder approval, to make any amendment to the maximum percentage or number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards granted under the Plan, including an increase to the fixed maximum percentage of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number of Shares or vice versa, except in the event of an adjustment pursuant to Section 7.1.
- (3) The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment or engagement shall not apply for any reason acceptable to the Board.
- (4) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

## **ARTICLE 8 MISCELLANEOUS**

### **8.1 Use of an Administrative Agent**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

## **8.2 Tax Withholding**

Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall be made net of any applicable withholdings, including in respect of applicable withholding taxes required to be withheld at source and other source deductions, as the Corporation determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then the withholding obligation may be satisfied in such manner as the Corporation determines, including (a) by the sale of a portion of such Shares by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1, on behalf of and as agent for the Participant, as soon as permissible and practicable, with the proceeds of such sale being used to satisfy any withholding and remittance obligations of the Corporation (and any remaining proceeds, following such withholding and remittance, to be paid to the Participant), (b) by requiring the Participant, as a condition of receiving such Shares, to pay to the Corporation an amount in cash sufficient to satisfy such withholding, or (c) any other mechanism as may be required or determined by the Corporation as appropriate.

## **8.3 Securities Law Compliance**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award, the exercise of any Option, the delivery of any Shares upon exercise of any Option, or the Corporation's election to deliver Shares in settlement of any Share Units or DSUs, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award or exercise of any Option hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (4) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **8.4 Reorganization of the Corporation**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **8.5 Quotation of Shares**

So long as the Shares are listed on one or more Exchanges, the Corporation must apply to such Exchange or Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on any Exchange.

#### **8.6 Governing Laws**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### **8.7 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

#### **8.8 Effective Date of the Plan**

The Plan shall become effective upon a date to be determined by the Board; provided, however, that the Share Unit and DSU components of the Plan shall be subject to disinterested shareholder approval.



EXHIBIT "A"

TO OMNIBUS SHARE INCENTIVE PLAN OF PANGEA NATURAL FOODS INC.

FORM OF OPTION AGREEMENT

This Option Agreement is entered into between Pangea Natural Foods Inc. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

- (1) \_\_\_\_\_ (the "**Grant Date**"),
- (2) \_\_\_\_\_ (the "**Participant**")
- (3) was granted \_\_\_\_\_ options ("**Options**") to purchase common shares of the Corporation (each, a "**Share**"), in accordance with the terms of the Plan, which Options will bear the following terms:
  - (a) Exercise Price and Expiry. Subject to the vesting conditions specified below, the Options will be exercisable by the Participant at a price of CAD\$● per Share (the "**Option Price**") at any time prior to expiry on ● (the "**Expiration Date**").
  - (b) Vesting; Time of Exercise. Subject to the terms of the Plan, the Options shall vest and become exercisable as follows:

<b>Number of Options</b>	<b>Vested On</b>

If the aggregate number of Shares vesting in a tranche set forth above includes a fractional Share, the aggregate number of Shares will be rounded down to the nearest whole number of Shares. Notwithstanding anything to the contrary herein, the Options shall expire on the Expiration Date set forth above and must be exercised, if at all, on or before the Expiration Date. Options are denominated in Canadian dollars (CAD\$).

- (4) The Options shall be exercisable only by delivery to the Corporation of a duly completed and executed notice in the form attached to this Option Agreement (the "**Exercise Notice**"), together with (a) payment of the Option Price for each Share covered by the Exercise Notice, and (b) payment of any withholding taxes as required in accordance with the terms of the Exercise Notice. Any such payment to the

Corporation shall be made by certified cheque or wire transfer in readily available funds.

- (5) Subject to the terms of the Plan, the Options specified in an Exercise Notice shall be deemed to be exercised upon receipt by the Corporation of such written Exercise Notice, together with the payment of all amounts required to be paid by the Participant to the Corporation pursuant to paragraph 4 of this Option Agreement.
- (6) The Participant hereby represents and warrants (on the date of this Option Agreement and upon each exercise of Options) that:
  - (a) the Participant has not received any offering memorandum, or any other documents (other than annual financial statements, interim financial statements or any other document the content of which is prescribed by statute or regulation, other than an offering memorandum) describing the business and affairs of the Corporation that has been prepared for delivery to, and review by, a prospective purchaser in order to assist it in making an investment decision in respect of the Shares;
  - (b) the Participant is acquiring the Shares without the requirement for the delivery of a prospectus or offering memorandum, pursuant to an exemption under applicable securities legislation and, as a consequence, is restricted from relying upon the civil remedies otherwise available under applicable securities legislation and may not receive information that would otherwise be required to be provided to it;
  - (c) the Participant has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Corporation and does not desire to utilize a registrant in connection with evaluating such merits and risks;
  - (d) the Participant acknowledges that an investment in the Shares involves a high degree of risk, and represents that it understands the economic risks of such investment and is able to bear the economic risks of this investment;
  - (e) the Participant acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the exercise of any Options, as provided in Section 8.2 of the Plan;
  - (f) this Option Agreement constitutes a legal, valid and binding obligation of the Participant, enforceable against him or her in accordance with its terms; and
  - (g) the execution and delivery of this Option Agreement and the performance of the obligations of the Participant hereunder will not result in the creation or imposition of any lien, charge or encumbrance upon the Shares.

The Participant acknowledges that the Corporation is relying upon such

representations and warranties in granting the Options and issuing any Shares upon exercise thereof.

- (7) The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Option Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Option Agreement; and (c) hereby accepts these Options subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Option Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Option Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement.
- (8) This Option Agreement and the terms of the Plan incorporated herein (with the Exercise Notice, if the Option is exercised) constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Options and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Option Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this Option Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the Corporation and the Participant have executed this Option Agreement as of \_\_\_\_\_, 20\_\_\_\_\_.

**PANGEA NATURAL FOODS INC.**

Per: \_\_\_\_\_

Authorized Signatory

\_\_\_\_\_

**[NAME OF PARTICIPANT]**

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Options.

**EXHIBIT "B"**

**TO OMNIBUS SHARE INCENTIVE PLAN OF PANGEA NATURAL FOODS INC.**

**FORM OF OPTION EXERCISE NOTICE**

**TO: PANGEA NATURAL FOODS INC.**

This Exercise Notice is made in reference to the Omnibus Share Incentive Plan (the "**Plan**") of Pangea Natural Foods Inc. (the "**Corporation**").

The undersigned (the "**Participant**") holds options ("**Options**") under the Plan to purchase • common shares of the Corporation (each, a "**Share**") at a price per Share of CAD\$• (the "**Option Price**") pursuant to the terms and conditions set out in that certain option agreement between the Participant and the Corporation dated • (the "**Option Agreement**"). The Participant confirms the representations and warranties contained in the Option Agreement.

The Participant hereby:

	<p>irrevocably gives notice of the exercise of _____ Options held by the Participant pursuant to the Option Agreement at the Option Price, for an aggregate exercise price of CAD\$ _____ (the "<b>Aggregate Option Price</b>"), on the terms specified in the Option Agreement and encloses herewith a certified cheque payable to the Corporation or evidence of wire transfer to the Corporation in full satisfaction of the Aggregate Option Price.</p> <p>The Participant acknowledges and agrees that: (i) in addition to the Aggregate Option Price, the Corporation may require the Participant to also provide the Corporation with a certified cheque or evidence of wire transfer equal to the amount of any applicable withholding taxes associated with the exercise of such Options, before the Corporation will issue any Shares to the Participant in settlement of the Options; and (ii) the Corporation shall have the sole discretion to determine the amount of any applicable withholding taxes associated with the exercise of such Options, and shall inform the Participant of such amount as soon as reasonably practicable upon receipt of this completed Exercise Notice.</p>
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**Registration:**

The Shares issued pursuant to this Exercise Notice are to be registered in the name of the undersigned and are to be delivered, as directed below:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature of Participant

EXHIBIT "C"

TO OMNIBUS SHARE INCENTIVE PLAN OF PANGEA NATURAL FOODS INC.

FORM OF SHARE UNIT AGREEMENT

This Share Unit Agreement is entered into between Pangea Natural Foods Inc. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

- (1) \_\_\_\_\_ (the "**Grant Date**"),
- (2) \_\_\_\_\_ (the "**Participant**")
- (3) was granted \_\_\_\_\_ Share Units ("**Share Units**"), in accordance with the terms of the Plan, which Share Units will vest as follows:

Number of Share Units	Time Vesting Conditions	Performance Vesting Conditions
_____	_____	_____
_____	_____	_____
_____	_____	_____

all on the terms and subject to the conditions set out in the Plan.

- (4) Subject to the terms and conditions of the Plan, the performance period for any performance-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on [●] (the "**Performance Period**"), while the restriction period for any time-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on [●] (the "**Restriction Period**"). Subject to the terms and conditions of the Plan, Share Units will be redeemed and settled fifteen days after the applicable Vesting Date, all in accordance with the terms of the Plan.
- (5) By signing this Share Unit Agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this Share Unit Agreement (subject to any specific variations contained in this Share Unit Agreement);
  - (b) acknowledges that, subject to the vesting and other conditions and provisions in this Share Unit Agreement, each Share Unit awarded to the Participant shall entitle the Participant to receive on settlement an aggregate cash payment equal to the Market Value of a Share or, at the election of the Corporation

and in its sole discretion, one Share of the Corporation. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Corporation to settle any Share Unit, or portion thereof, in the form of Shares, the Corporation reserves the right to change such form of payment at any time until payment is actually made;

- (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the vesting and redemption of any Share Unit, as determined by the Corporation in its sole discretion;
  - (d) agrees that a Share Unit does not carry any voting rights;
  - (e) acknowledges that the value of the Share Units granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and
  - (f) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
- (6) The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Share Unit Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Share Unit Agreement, and (c) hereby accepts these Share Units subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Share Unit Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Share Unit Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this Share Unit Agreement.
- (7) This Share Unit Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Share Units and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Share Unit Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this Share Unit Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**IN WITNESS WHEREOF** the Corporation and the Participant have executed this Share Unit Agreement as of \_\_\_\_\_, 20\_\_\_\_\_.

**PANGEA NATURAL FOODS INC.**

Per: \_\_\_\_\_

Authorized Signatory

\_\_\_\_\_

**[NAME OF PARTICIPANT]**

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Share Units.



**EXHIBIT "D"**

**TO OMNIBUS SHARE INCENTIVE PLAN OF PANGEA NATURAL FOODS INC.**

**FORM OF DSU AGREEMENT**

This DSU Agreement is entered into between Pangea Natural Foods Inc. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

- (1) \_\_\_\_\_ (the "**Grant Date**"),
- (2) \_\_\_\_\_ (the "**Participant**")
- (3) was granted \_\_\_\_\_ deferred share units ("**DSUs**"), in accordance with the terms of the Plan.
- (4) The DSUs subject to this DSU Agreement [are fully vested] [will become vested as follows:  
  
\_\_\_\_\_].
- (5) Subject to the terms of the Plan, the settlement of the DSUs, in cash (or, at the election of the Corporation, in Shares or a combination of cash and Shares), shall be payable to you, net of any applicable withholding taxes in accordance with the Plan, not later than December 15<sup>th</sup> of the first (1<sup>st</sup>) calendar year commencing immediately after the Termination Date.
- (6) By signing this agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this DSU Agreement (subject to any specific variations contained in this DSU Agreement);
  - (b) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the vesting and redemption of any DSU, as determined by the Corporation in its sole discretion;
  - (c) agrees that a DSU does not carry any voting rights;
  - (d) acknowledges that the value of the DSUs granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and
  - (e) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.

- (7) The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this DSU Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this DSU Agreement, and (c) hereby accepts these DSUs subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this DSU Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this DSU Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this DSU Agreement.
- (8) This DSU Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the DSUs and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This DSU Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this DSU Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the Corporation and the Participant have executed this DSU Agreement as of \_\_\_\_\_, 20\_\_\_\_\_.

**PANGEA NATURAL FOODS INC.**

Per: \_\_\_\_\_

Authorized Signatory

\_\_\_\_\_

**[NAME OF PARTICIPANT]**

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your DSUs.