



**BASE CARBON INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

to be held on June 25, 2024 and

**MANAGEMENT INFORMATION CIRCULAR**

dated May 10, 2024

**BASE CARBON INC.**

May 10, 2024

Dear shareholders of Base Carbon Inc.:

On behalf of the directors and management team of Base Carbon Inc. (the “**Company**”), we are pleased to invite you to attend the Company’s annual general and special meeting of shareholders (the “**Meeting**”), taking place at 10:00 a.m. (Toronto time) on June 25, 2024. This year, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. At the Meeting, the holders of the common shares of the Company (“**Shareholders**”) will be asked to receive the financial statements for the fiscal year ended December 31, 2023 and the auditors’ report thereon, to re-appoint KPMG LLP as the auditors of the Company, elect the directors for the ensuing year and approve an amended and restated equity incentive compensation plan.

As a valued Shareholder, your views and involvement in the Company are important to us. At the Meeting you will have the opportunity to hear about the Company’s direction and plans for the coming year, ask questions and vote on the Meeting matters.

Your vote matters. You may exercise it by completing the proxy form or voting instruction form or by virtually attending the Meeting. The accompanying management information circular describes the business to be conducted at the Meeting, important additional information and detailed instructions on voting and participation at the Meeting, and the Company’s governance practices.

Thank you for your investment and we look forward to connecting with you at the Meeting.

Sincerely,

*“Catherine Flax”*

Catherine Flax  
Chair of the Board

*“Michael Costa”*

Michael Costa  
Chief Executive Officer

**BASE CARBON INC.**  
**Notice of Annual General and Special Meeting of Shareholders**  
**To Be Held On June 25, 2024**

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular dated May 10, 2024 (the “**Circular**”).

Notice is hereby given that the annual general and special meeting (“**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of Base Carbon Inc. (“**Base Carbon**” or the “**Company**”) will be held on June 25, 2024 at 10:00 a.m. (Toronto time) virtually via live audio webcast online at <https://linkstar.marrellitrust.ca/pxlogin> for the following purposes:

- (a) to receive the financial statements of the Company for the year ended December 31, 2023 and the auditors’ report thereon;
- (b) to re-appoint KPMG LLP as the auditors of the Company for the ensuing year and to authorize the directors of the Company to fix their remuneration;
- (c) to re-elect the five directors of the Company for the ensuing year;
- (d) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving, ratifying and confirming the Company’s Equity Incentive Plan and the unallocated Shares underlying the Awards thereunder; and
- (e) to transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular under “*Particulars of Matters to be Acted Upon at the Meeting*”, accompanying and forming part of this Notice of Annual General and Special Meeting (the “**Notice**”).

Shareholders of record at the close of business on May 10, 2024, are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting. If unable to attend the Meeting, a registered Shareholder may, in advance of the Meeting, submit his/her/its proxy by mail or over the internet in accordance with the instructions below.

Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular. Non-Registered Holders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

A Shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a Non-Registered Holder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form.

Voting by Mail or Courier Before the Meeting:

Marrelli Trust Company Limited  
c/o Marrelli Trust Service Corp.  
82 Richmond St. E., 2<sup>nd</sup> Floor  
Toronto, ON M5C 1P1

Voting by Internet Before the Meeting.

[www.voteproxy.ca](http://www.voteproxy.ca)

A Non-Registered Holder should follow the instructions included on the voting instruction form provided by his/her/its Intermediary (as defined in the Circular).

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Marrelli Trust Company Limited, c/o Marrelli Trust Service Corp., 82 Richmond St. E., 2<sup>nd</sup> Floor, Toronto, ON M5C 1P1 no later than 10:00 a.m. (Toronto time) on June 21, 2024 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions above. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

**Notice-and-Access**

The Company has elected to send out proxy-related materials to Shareholders using the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”, and together with NI 51-102, the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allow issuers to post electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) and another website, rather than mailing paper copies of such materials to securityholders.

Shareholders will be provided with electronic access to this Notice, the Circular, the Company’s management’s discussion and analysis of the results of operations and financial condition of the Company for the year ended December 31, 2023 and the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2023 together with the auditors’ report thereon on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at <https://marrellitrust.ca/2024/05/24/bcbl/>.

Shareholders are reminded to review the Circular before voting. Shareholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a Non-Registered Holder). The Company will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

DATED May 10, 2024

By Order of the Board of Directors

“*Catherine Flax*”

**Catherine Flax, Chair of the Board  
Base Carbon Inc.**

**BASE CARBON INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION ON BEHALF OF MANAGEMENT**

**PROXY AND VOTING INFORMATION**

**1. Solicitation of Proxies**

This management information circular (the “**Circular**”) dated as of May 10, 2024 and accompanying form of proxy are furnished in connection with the solicitation, by management of Base Carbon Inc. (“**we**”, “**us**”, “**our**”, the “**Company**” or “**Base Carbon**”), of proxies to be used at the annual general and special meeting of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of the Company (the “**Meeting**”) referred to in the accompanying Notice of Annual General and Special Meeting (the “**Notice**”) to be held on June 25, 2024 at 10:00 a.m. (Toronto time) for the purposes set forth in the Notice. The Meeting will be held in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. A brief summary of the information that Shareholders will need to attend the Meeting online is provided below.

The solicitation will be made primarily by mail, subject to the use of Notice-and-Access Provisions (as defined herein), but proxies may also be solicited personally or by telephone by directors and/or officers of the Company. The cost of solicitation by management will be borne by the Company.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Shares. The cost of any such solicitation will be borne by the Company.

**2. Notice-and-Access**

The Company is sending out proxy-related materials to Shareholders using the notice-and-access provisions under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”, together with NI 54-101, the “**Notice-and-Access Provisions**”). These securityholder materials are being sent to both registered Shareholders and non-registered shareholders (individually, a “**Non-Registered Holder**”) utilizing the Notice-and-Access Provisions. The Company anticipates that use of the Notice-and-Access Provisions will benefit the Company by reducing the postage and material costs associated with the printing and mailing of the proxy-related materials and will also reduce the environmental impact of such actions.

Shareholders will be provided with electronic access to the Notice, this Circular, the Company’s management’s discussion and analysis of the results of operations and financial condition of the Company for the year ended December 31, 2023 (the “**MD&A**”) and the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2023 together with the auditors’ report thereon (together with the MD&A, the “**MD&A and Financials**”) on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at [www.sedarplus.ca](http://www.sedarplus.ca) and at <https://marrellitrust.ca/2024/05/24/bcbtn/>.

Shareholders are reminded to review the Circular before voting. Shareholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a Non-Registered Holder). The Company will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

Shareholders with questions about notice-and-access can call the Company's transfer agent, Marrelli Trust Company Limited toll-free at 1-844-682-5888. Shareholders may also obtain paper copies of the Circular, MD&A and Financials free of charge by contacting Marrelli Trust Company Limited toll-free at 1-844-682-5888. Requests for paper copies of the Meeting Materials must be received by June 11, 2024 and the Company will mail the requested materials within three (3) business days of the request. Under the Notice-and-Access Provisions, meeting materials will be available for viewing at <https://marrellitrust.ca/2024/05/24/bcbrn/> for one year from the date of posting.

### 3. Record Date

Shareholders of record at the close of business on May 10, 2024 (the "**Record Date**") are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting.

### 4. Meeting Information

**This year, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.**

The Meeting will be held on June 25, 2024 at 10:00 a.m. (Toronto time) virtually via live audio webcast online at <https://linkstar.marrellitrust.ca/pxlogin>. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Non-Registered Holders who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will not be able to vote at the Meeting. See "*Voting Information*" below.

Registered Shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all the requirements set out below under "*Voting Information*". Non-Registered Holders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting.

### 5. Voting Information

Shareholders may vote before the Meeting or vote at the Meeting, as described below.

Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out herein. Non-Registered Holders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

#### *Appointment of Proxies*

The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Company. **Each Shareholder submitting a proxy has the right to appoint a person or company (who need not be a Shareholder), other than the persons named in the accompanying form of proxy, to represent such Shareholder at the Meeting or any adjournment or postponement thereof.** Such right may be exercised by inserting the name of such representative in the blank space provided in the accompanying form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Marrelli Trust Company Limited no later than 10:00 a.m. (Toronto time) on June 21, 2024 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions below. The time limit for

deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

A registered Shareholder may submit, in advance of the Meeting, his/her/its proxy by mail, or over the internet in accordance with the instructions below.

*Voting by Mail or Courier Before the Meeting:*

Marrelli Trust Company Limited  
c/o Marrelli Trust Service Corp.  
82 Richmond St. E., 2<sup>nd</sup> Floor  
Toronto, ON M5C 1P1

*Voting by Internet Before the Meeting*

Enter the control number printed on the form of proxy at [www.voteproxy.ca](http://www.voteproxy.ca)

A Non-Registered Holder should follow the instructions included on the voting instruction form provided by his/her/its Intermediary (as defined below).

*Revocation of Proxies*

Proxies given by Shareholders for use at the Meeting may be revoked. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his/her attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited in the same manner provided above under “*Voting Information – Appointment of Proxies*”, at any time up to and including 10:00 a.m. (Toronto time) on June 21, 2024 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the holding of the Meeting).

*Non-Registered Holders*

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a Non-Registered Holder are registered either:

- A. in the name of an intermediary (each, an “**Intermediary**” and collectively, the “**Intermediaries**”) that the Non-Registered Holder deals with, in respect of the Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- B. in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company will have distributed copies of Notice Package and the form of proxy or a voting instruction form and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The

purpose of these forms is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Non-Registered Holders should follow the procedures set out in such forms provided by the Intermediary.

In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Shares they beneficially own, the voting instruction form must be submitted by mail, or over the internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must appoint themselves in advance of the proxy cut-off date.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered.**

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote provided to an Intermediary in accordance with the instructions received from the Intermediary, except that an Intermediary may not act on a revocation of a voting instruction form or a waiver of the right to receive Meeting Materials and to vote that is not received in sufficient time prior to the Meeting.

A Non-Registered Holder may fall into two categories – those who object to their identity being made known to the issuers of the securities which they own (“**Objecting Beneficial Owners**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**Non-Objecting Beneficial Owners**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Owners from Intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners. The Company is sending Meeting Materials directly to Non-Objecting Beneficial Owners.

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

#### *Exercise of Discretion By Proxies*

Shares represented by properly executed proxies in favour of the persons named in the accompanying form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the Shares will be voted or withheld from voting in accordance with the specifications so made. **Where Shareholders have properly executed proxies in favour of the persons named in the accompanying form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Shares represented thereby, Shares will be voted in favour of the passing of the matters set forth in the Notice.** If a Shareholder appoints a representative other than the persons designated in the form of proxy, the Company assumes no responsibility as to whether the representative so appointed will attend the Meeting on the day thereof or any adjournment or postponement thereof.

The accompanying form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, the management of the Company and the directors of the Company know of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to the management or the directors of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.



If you have any questions or require further information with regard to voting your Shares, please contact Marrelli Trust Company Limited toll-free at 1-844-682-5888.

**If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences**, if you wish to do so. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

## **GENERAL INFORMATION**

The information contained herein is provided as of May 10, 2024, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the management of the Company.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. All references to “\$” are to Canadian dollars.

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

To the knowledge of the directors of the Company, no director or executive officer of the Company at any time since the beginning of the Company’s last completed financial year, no proposed nominee for election as a director nor any associate of any such director, executive officer or nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized share capital of the Company consists of an unlimited number of Shares and an unlimited number of preference shares.

As at December 31, 2023, there were 117,918,182 issued and outstanding Shares and 117,137,658 issued and outstanding Shares as of the Record Date. A quorum for the transaction of business at the Meeting is a majority of Shareholders entitled to vote present in person or by telephonic or electronic means.

As of the Record Date and to the knowledge of the Company’s directors and officer, the only person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the Shares of the Company is Abaxx Technologies Inc. which holds 19,339,630 Shares or 16.5% of the issued and outstanding Shares as of the Record Date.

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

### **1. Presentation of Financial Statements**

The audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2023, together with the auditor’s report shall be presented to the Shareholders at the Meeting. In accordance with the provisions of the *Business Corporations Act* (Ontario), the financial statements are presented at the Meeting and will not be voted on.

### **2. Re-appointment of Auditors**

At the Meeting, Shareholders will be requested to re-appoint KPMG LLP as auditors of the Company, to hold office until the next annual meeting of Shareholders, and to authorize the directors of the Company to fix the auditors’ remuneration. KPMG LLP has been the auditors of the Company since February 22, 2022.

**The Board recommends that you vote FOR the appointment of KPMG LLP as auditors of the Company. Unless the Shareholder directs that his/her/its Shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the accompanying form of proxy will vote FOR the re-appointment of KPMG LLP as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors of the Company to fix their remuneration.**

### **3. Re-election of Directors**

The current board of directors (the “**Board**”) consists of five directors: Catherine Flax, Margot Naudie, Bruce Tozer, Michael Costa and Andrew Fedak. All of the five current members are nominated for re-election, being Catherine Flax, Margot Naudie, Bruce Tozer, Michael Costa and Andrew Fedak. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of Shareholders. Three of the five nominated directors are considered independent in accordance with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

The Board and the Compensation, Corporate Governance and Nominating Committee of the Board believe that directors of the Company should possess two types of qualifications: (i) general qualifications that all Directors must exhibit; and (ii) particular skills and experience that should be represented on the Board as a whole, but not necessarily by each director. The Compensation, Corporate Governance and Nominating Committee of the Board strives to maintain an engaged, independent Board with broad diverse experience and judgment that is committed to representing the long-term interests of its Shareholders and stakeholders. As such, to serve on the Board, all directors must have extensive experience and certain core competencies.

The proxy permits Shareholders to vote in favour of all nominees, to vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. The chair of the Meeting will ensure that the number of Shares voted in favour or withheld from voting for each nominee is recorded and promptly made public after the Meeting.

The table below set forth certain information in respect of each nominee directors of the Company to be re-elected to the Board. The table sets forth the name of each of our nominee directors and any executive office they may hold, their province or state and country of residence, their position(s) with the Company, their principal occupation, number of securities of the Company owned and the date they first became a director of the Company. The term of office of each director will expire at the next annual meeting of the Company, unless his or her office is earlier vacated. Please note that, unless otherwise indicated, the information hereunder as to Shares and options to purchase Shares (“**Options**”) beneficially owned or controlled, directly or indirectly, has been furnished by each of the nominees, as of the date the Record Date.

**Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed nominees set forth in the table below.** In order to be effective, each director requires the approval of not less than 50% of the votes cast by Shareholders represented at the Meeting in person or by proxy.

<b>Name and Residence</b>	<b>Position with Company</b>	<b>Principal Occupations for the Past Five Years</b>	<b>Officer/Director Since</b>	<b>Number of Securities of the Company Held (%)</b>
Michael Costa <i>Saratoga County, New York, USA</i>	Chief Executive Officer and Director	Director of Almonty Industries Inc. (TSX: AII) (2018 to June 2023); Vice President and Portfolio Manager of Goldman & Company, Investment Counsel Inc. (Dundee Corporation) (2013- 2021)	Officer and Director of the Company since February 22, 2022 Officer of Base Carbon Corp since July 12, 2021	2,715,936 Shares (2.3%) 1,750,000 Options (3.5%) <sup>(7)</sup>
Andrew Fedak <i>Menlo Park, California, USA</i>	Chief Strategy Officer and Director	Founder and Chief Strategy Officer of Abaxx (2017 to 2022)	Officer and Director of the Company since February 22, 2022	2,739,971 Shares (2.3%) 300,000 Options (2.4%) <sup>(7)</sup>
Bruce Tozer <sup>(1)(3)(4)</sup> <i>Salisbury, Wiltshire, United Kingdom</i>	Director	Sr. Non-Executive Director of M.P. Evans PLC (present); Managing Director & Global Head, Environmental Market, J.P. Morgan (2005-2009); Managing Director & Global Head, Structured Trade, Commodity Finance and Risk Management, Global Head of Commodities and Project Finance, Rabobank (1996-2005)	Director of the Company since February 22, 2022	1,877,108 Shares (1.6%) 400,000 Options (1.8%) <sup>(7)</sup>
Margot Naudie <sup>(1)(3)(4)(5)</sup> <i>Toronto, Ontario, Canada</i>	Director	President of Elephant Capital Inc. (2017 – present); Co-Founder and Lead Independent Director of Abaxx (2018-Present); Director of Treasury Metals (2022-present); Director of CoTec Holdings (2022-present); Director of Amerigo Resources Ltd. (2021-present); Director of Osino Resources Corp. (2020-present); Director of Polaris Renewable Energy (2020-2022); Director of BTU Metals Inc. (2019-2022)	Director of the Company since February 22, 2022	826,236 Shares (0.7%) 400,000 Options (1.0%) <sup>(7)</sup>
Catherine Flax <sup>(1)(2)(3)(4)(6)</sup> <i>New York, New York, USA</i>	Director	President of X Machina Capital Strategies (2021-present); Director, Abaxx (2020-Present); Managing Director & Head of Commodity Derivatives, F/X & Local Markets Americas, BNP Paribas (2013-2017); Chief Marketing Officer, J.P. Morgan (2011-2013)	Director of the Company since February 22, 2022	325,099 Shares (0.3%) 400,000 Options (0.6%) <sup>(7)</sup>

**Notes:**

- (1) Independent Director.
- (2) Chair of the Board.
- (3) Member of Audit Committee.
- (4) Member of Compensation, Corporate Governance and Nominating Committee.
- (5) Chair of Audit Committee.
- (6) Chair of Compensation, Corporate Governance and Nominating Committee.
- (7) Figure reflects the number of all Shares held by such individual plus the number of Shares issuable upon the exercise of all Options held by such individual as a percentage of the total Shares outstanding as of the Record Date plus the number of Shares issuable upon the exercise of all outstanding Options (assuming all Options were exercisable as of the Record Date).

### *Majority Voting Policy*

The Company has adopted a majority voting policy in director elections, which applies to any meeting of Shareholders where an uncontested election of directors is held. If, in an uncontested election of directors of the Company, any particular nominee for director receives a greater number of votes “withheld” than the number of votes “for”, then for purposes of this policy the nominee shall be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law, and such director shall promptly tender his or her resignation to the chair of the Board following the meeting of Shareholders. A director nominee who is considered under this policy not to have received the support of Shareholders will forthwith submit his or her resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Compensation, Corporate Governance and Nominating Committee. The committee shall consider the resignation offer and shall recommend to the Board whether or not to accept it. In its deliberations, the committee may consider any stated reasons as to why Shareholders “withheld” votes for the election of the relevant director, the length of service and the qualifications of the director, the director’s contributions to the Company, the effect such resignation may have on the Company’s ability to comply with any applicable governance rules and policies, the dynamics of the Board, and any other factors that the members of the committee consider relevant. The Board shall consider the committee’s recommendation within 90 days following the relevant meeting of shareholders. The Board will consider the factors considered by the committee and such additional information and factors that the Board considers to be relevant. The resignation will be effective when accepted by the Board.

### *Advance Notice By-Law*

The Company’s by-laws provide for a process by which shareholder may nominate a person for election as a director of the Company. Written notice of such intention to nominate a director must be delivered by such shareholder to the Company’s secretary not less than 30 days before the date of such annual meeting of shareholders, provided that, if (i) such meeting is called for a date that is less than 50 days after the date on which first notice of the meeting was provided by the Company, then notice by the nominating shareholder must be delivered not less than 10 days after the first notice of the meeting was provided by the Company, and (ii) if the Company uses the Notice-and-Access Provisions to send proxy-related materials to shareholders in connection with the meeting of shareholders, notice from the nominating shareholder must be delivered not less than 40 days before the date of the annual meeting of shareholders. The notice delivered by the nominating shareholder must include specific information, including details regarding the individual proposed to be nominated as a director and the Company may request additional information from the nominating shareholder.

### *Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

None of the directors or executive officers of the Company is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (a “**Cease Trade Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the directors or executive officers of the Company, nor, to the knowledge of the Company, any shareholder holding a sufficient number of our securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, 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 (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of the directors or executive officers of the Company, nor, to the knowledge of the Company, any shareholder holding a sufficient number of our securities to affect materially the control of the Company, has been subject to (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **4. Approval of Equity Incentive Plan**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, confirm, ratify and approve the amended and restated equity incentive compensation plan (the “**Equity Incentive Plan**”) recommended by the Plan Administrator (as defined below) and approved by the Board on May 10, 2024. The Equity Incentive Plan is consistent with the Company’s previous equity incentive compensation plan approved by Shareholders on February 15, 2022 and effective as of February 22, 2022, but now provides for certain Awards to Participants resident in the United States on similar terms to Canadian resident Participants.

A summary of the Equity Incentive Plan is described below under the heading “*Securities Authorized for Issuance under Equity Compensation Plans – Summary of Equity Incentive Plan*”. The summary is qualified in its entirety by the full text of the Equity Incentive Plan as attached as Annex II to this Circular. The Equity Incentive Plan remains subject to the approval of Cboe Canada.

As of the date of this Circular, there are 11,496,666 Options outstanding under the Equity Incentive Plan, being approximately 9.8% of the current issued and outstanding Shares.

The Board considers it is in the Company’s best interests to approve the Equity Incentive Plan in the aforementioned fashion. The following is the text of the resolution approving the Equity Incentive Plan which will be put forward to Shareholders for approval at the Meeting:

**“NOW THEREFORE BE IT RESOLVED AS AN ORDINARY RESOLUTION:**

1. Subject to any necessary regulatory approval, the Equity Incentive Plan of the Company, as described under heading “*Securities Authorized for Issuance under Equity Compensation Plans – Summary of Equity Incentive Plan*” in the Circular and substantially in the form attached as Annex II to the Circular, is hereby approved, ratified and confirmed;
2. The unallocated Shares underlying Awards under the Equity Incentive Plan are hereby approved, ratified and confirmed, and the Company shall seek further ratification and approval of the rolling cap and unallocated Shares underlying Awards under the Equity Incentive Plan by no later than June 25, 2027; and
3. Any director or officer of the Company is hereby authorized and directed to do and perform all such acts and things as may be necessary or desirable to implement the foregoing resolution, and any one officer or director of the Company be and is hereby authorized and directed to execute and deliver, for and on behalf of, and in the name of, the Company, all such instruments and agreements and to do and perform and come to be done and performed all such acts and things as may be necessary or desirable in connection therewith or to give effect to the foregoing resolution.”

**The Board has approved the Equity Incentive Plan and recommends that the Shareholders vote “FOR” the Equity Incentive Plan.** Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Shares represented by such proxy are to be voted against the resolution approving the Equity Incentive Plan, the persons named in the accompanying proxy will vote FOR such resolution.

## COMPENSATION OF EXECUTIVE OFFICERS

### Named Executive Officers

The following describes the particulars of compensation for certain officers of the Company considered to be “Named Executive Officers” for the Company for the financial year ended December 31, 2023, as defined in Form 51-102F6 – *Statement of Executive Compensation* to NI 51-102. The Named Executive Officers are:

- Michael Costa, Chief Executive Officer
- Kwesi Marshal, Chief Financial Officer
- Wes Fulford, President
- Andrew Fedak, Chief Strategy Officer
- Ryan Hornby, Chief Legal Officer and Corporate Secretary

### *Compensation Policy Objectives*

The Company’s executive compensation program is designed to reward corporate and individual performance and motivate executives to achieve overall corporate goals.

The Company’s executive compensation program has the following objectives:

- to attract, retain and motivate qualified executives;
- to provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the shareholders;
- to foster teamwork and entrepreneurial spirit;
- to establish a direct link between all elements of compensation and the performance of the Company and its subsidiaries, and individual performance;
- to integrate compensation incentives with the development and successful execution of strategic and operating plans; and
- to enhance shareholder value.

The Compensation, Corporate Governance and Nominating Committee of the Board is comprised of directors that are considered independent for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”). Overall, the members of the committee have held senior executive or board positions with other publicly traded companies where they have had direct involvement in the development and implementation of compensation policies and practices for employees at all levels, including executive officers. The Board believes that the Compensation, Corporate Governance and Nominating Committee members possess all of the knowledge, experience and the profile needed in order to fulfill the mandate of the committee.

The Compensation, Corporate Governance and Nominating Committee is responsible for making recommendations to the Board with respect to the compensation of the Company’s directors, Named Executive Officers and certain employees. The Compensation, Corporate Governance and Nominating Committee will work in conjunction with the CEO on the review and assessment of the performance of executive officers and other employees in accordance with the Company’s compensation practices. The Board will review the Compensation, Corporate Governance and Nominating Committee’s recommendations to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company’s compensation program.

The executive compensation program will be comprised of fixed and variable elements of compensation; base salary, indirect compensation (benefits), discretionary bonus, and long-term equity-based incentives. In determining actual compensation levels, the Compensation, Corporate Governance and Nominating Committee will consider the total compensation program, rather than any single element in isolation. Total compensation levels will be designed to reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity). These elements of compensation, when combined, should form an appropriate mix of compensation, and provide competitive salary, link the majority of the executives' compensation to corporate and individual performance (which induces and rewards behaviour that creates long-term value for shareholders and other stakeholders), and encourage retention with time-based vesting attached to long-term equity-based incentives.

The compensation level of the CEO will be designed to recognize his personal contributions and leadership. At the end of each fiscal year, the Compensation, Corporate Governance and Nominating Committee will formally evaluate the performance of the CEO. Using both financial and non-financial measures, the committee may recommend to the Board an increase to the CEO's, and other executive officers', total compensation to levels that are consistent with corporate and individual performance.

Similarly, the Compensation, Corporate Governance and Nominating Committee will review and ensure that the directors' compensation packages are competitive in light of the responsibility and the time commitment required from directors.

As part of this review, the Compensation, Corporate Governance and Nominating Committee has in the past and may in future engage an independent consulting firm to provide services in connection with executive officer and director compensation matters, including, among other things, the following:

- (i) establishing a peer comparator group of public companies with similar attributes to the Company for the purpose of benchmarking its compensation policies and plans;
- (ii) designing a new equity-based, long-term incentive compensation framework for the Company's executive officers and directors;
- (iii) setting future compensation program for executive offers; and
- (iv) designing a compensation structure for non-executive directors.

Based on such reviews, the Compensation, Corporate Governance and Nominating Committee will make recommendations to the Board with respect the changes to executive compensation and director compensation.

#### *Base Salaries*

Base salaries for the executive officers will be designed to be competitive and will be adjusted for the realities of the market. Initial base salaries are based on market comparables, formal job evaluation, publicly available salary survey data, experience level, leadership and management skills, responsibilities and proven or expected performance. The Compensation, Corporate Governance and Nominating Committee will review the recommendations of the CEO and recommend to the Board the base salaries for executive officers taking into consideration the individual's performance, contributions to the success of the Company, and internal equities among positions. No specific weightings are assigned to each factor; instead a subjective determination is made based on a general assessment of the individual relative to such factors.

The Board and the Compensation, Corporate Governance and Nominating Committee will review executive compensation on an ongoing basis, with the expectation that salaries will be modified in consideration of the Company's financial position and outlook.

### *Discretionary Bonus*

A discretionary bonus is intended to provide incentives to executive officers to enhance the growth and development of the Company, to encourage and motivate executive officers to achieve short-term goals, and to reward individual contribution to the achievement of corporate objectives. The bonus can be based as a percentage of annual salary or a fixed dollar amount and is awarded at the discretion of the Board as recommended by the Compensation, Corporate Governance and Nominating Committee.

### *Long-Term Incentives*

The Company has adopted a long-term incentive plan by way of the Equity Incentive Plan to allow for a variety of equity-based awards that provide different types of incentives to be granted to directors, executive officers, employees, and consultants.

### *Indirect Compensation*

The Named Executive Officers are entitled to participate in any Company benefit plans in place from time to time, including for group health, dental, extended medical coverage, and life insurance, including long-term disability.

### *Pension Plan Benefits*

The Company does not currently provide retirement benefits for directors, executive officers or employees.

### *Share Ownership Requirements*

The Company has not established share ownership requirements, but it is anticipated that the Compensation, Corporate Governance and Nominating Committee will review the current equity ownership of the Company and consider best practices.

### *Risks Associated with Compensation Practices*

As of the date of this Circular, the Company's directors had not identified any general risks associated with the Company's compensation policies applicable to its executive officers.

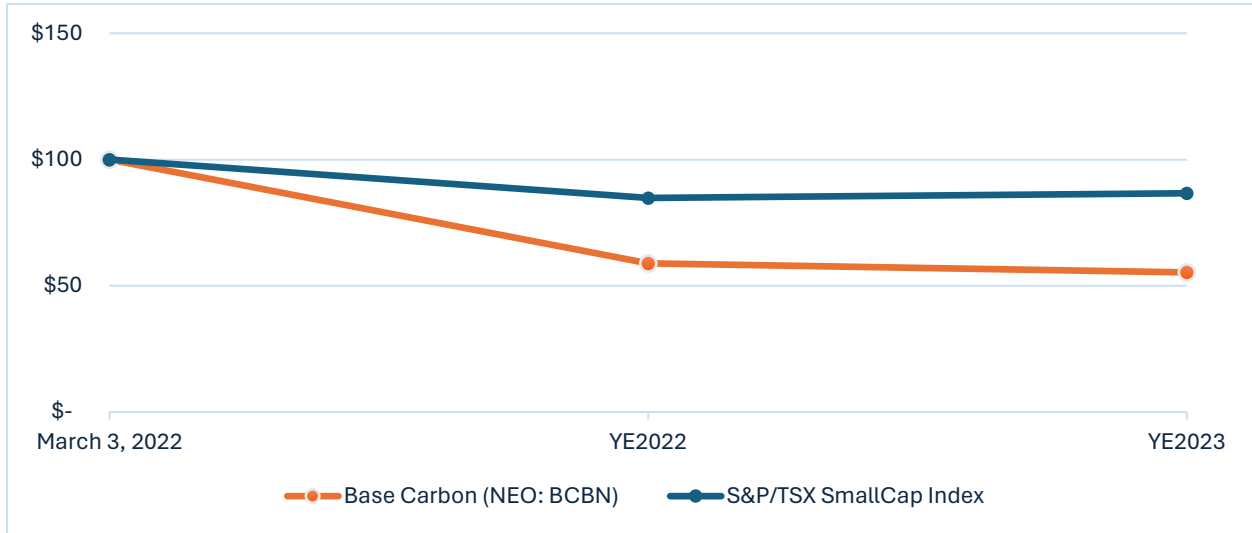
### *Financial Instruments*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or reduce exposure to a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Circular, entitlement to grants of Options are the only equity-based securities awarded to executive officers and directors.



*Performance Graph*

The following performance graph shows the total shareholder return over the period from March 3, 2022 (the date the Shares were listed on Cboe Canada (formerly the NEO Exchange)) to December 31, 2023 (expressed in Canadian dollars) for Shares compared to the S&P/ TSX SmallCap Index. The graph and table below show what a \$100 investment made in Shares and the S&P/ TSX SmallCap Index as of the Company's listing on the NEO Exchange would be worth at December 31, 2022 and December 31, 2023. During this period of time global markets have been under pressure and as a start up business, the Company has been particularly impacted by such market pressures. Compensation for Named Executive Officers has increased during such period as the management has executed the Company's business plan.



### Summary Compensation Table

The following table sets out information for the last three fiscal years concerning the compensation earned by the Named Executive Officers of the Company.

Name and Principal Position	Year	Salary/ Consulting Fees (US\$) <sup>(1)</sup>	Share-based Awards (US\$) <sup>(1)</sup>	Option-based Awards (US\$) <sup>(1)</sup>	All Other Compensation (US\$) <sup>(1)(2)</sup>	Total Compensation (US\$) <sup>(1)</sup>
<b>Michael Costa</b> <sup>(3)</sup> Chief Executive Officer	2023	300,000	Nil	43,660	117,454	461,114
	2022	228,141	Nil	164,006	110,436	502,583
	2021	14,539	Nil	127,432	Nil	141,971
<b>Wes Fulford</b> <sup>(4)</sup> President and Former Chief Financial Officer	2023	300,000	Nil	43,660	85,942	429,602
	2022	206,217	Nil	164,006	75,000	445,223
	2021	13,218	Nil	127,432	Nil	140,650
<b>Kwesi Marshall</b> <sup>(5)</sup> Chief Financial Officer	2023	107,500	Nil	8,581	25,000	141,081
	2022	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil
<b>Andrew Fedak</b> <sup>(6)</sup> Chief Strategy Officer	2023	275,000	Nil	7,448	Nil	282,448
	2022	69,146	Nil	28,358	Nil	97,504
	2021	Nil	Nil	Nil	Nil	Nil
<b>Ryan Hornby</b> <sup>(7)</sup> Chief Legal Officer and Corporate Secretary	2023	194,492	Nil	54,155	2,741	251,388
	2022	153,658	Nil	83,377	38,414	275,449
	2021	Nil	Nil	73,062	Nil	73,062

**Notes:**

- (1) Stated in US dollars (USD) where applicable. Canadian dollar (CAD) amounts were converted to USD using the average CAD to USD exchange rate of 0.77 for 2022 and 2021 fiscal years and 0.74 for the 2023 fiscal year.
- (2) Other compensation, including benefits and annual bonus payments.
- (3) Michael Costa was appointed CEO of Base Carbon Corp on July 12, 2021 and became CEO of the Company as part of completion of the reverse takeover transaction on February 22, 2022. Mr. Costa has a salary of US\$300,000 per year.
- (4) Wes Fulford was appointed CFO of Base Carbon Corp. on November 11, 2021 and became CFO of the Company as part of completion of the reverse takeover transaction on February 22, 2022. Mr. Fulford was appointed President and resigned as CFO of the Company on May 18, 2023. Mr. Fulford has a salary of US\$300,000 per year.
- (5) Kwesi Marshall was appointed CFO of the Company on May 18, 2023 and has an annual salary of US\$150,000.
- (6) Andrew Fedak was appointed CSO of Base Carbon Corp. on July 12, 2021 and became CSO of the Company as part of completion of the reverse takeover transaction on February 22, 2022. Mr. Fedak receives a consulting fee of US\$275,000 per annum.
- (7) Ryan Hornby was appointed CLO of Base Carbon Corp. on January 1, 2022 and became CLO of the Company as part of completion of the reverse takeover transaction on February 22, 2022. Mr. Hornby has a salary of CAD \$250,000 per year.

## Incentive Plan Awards

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

The following table provides information regarding the incentive plan awards for each Named Executive Officer of the Company outstanding as of December 31, 2023.

Named Executive Officer	Option-based Awards			Share-based Awards			
	Number of securities Underlying unexercised options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-The-Money Option <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
<b>Michael Costa</b> Chief Executive Officer	250,000 <sup>(2)</sup> 500,000 <sup>(3)</sup>	\$0.50 \$1.00	9/7/2025 2/10/2026	Nil	Nil	Nil	Nil
<b>Wes Fulford</b> President	166,667 <sup>(2)</sup> 333,333 <sup>(3)</sup>	\$0.50 \$1.00	9/7/2025 2/10/2026	Nil	Nil	Nil	Nil
<b>Kwesi Marshall</b> Chief Financial Officer	70,000 <sup>(4)</sup> 70,000 <sup>(4)</sup>	\$0.50 \$1.00	05/18/2027	Nil	Nil	Nil	Nil
<b>Andrew Fedak</b> Chief Strategy Officer	100,000 <sup>(3)</sup>	\$1.00	2/10/2026	Nil	Nil	Nil	Nil
<b>Ryan Hornby</b> Chief Legal Officer	300,000 <sup>(2)</sup> 200,000 <sup>(3)</sup> 300,000 <sup>(5)</sup>	\$0.50 \$1.00 \$1.00	9/7/2025 2/10/2026 05/18/2027	Nil	Nil	Nil	Nil

#### Notes:

- (1) Calculated based on the difference between the closing price of the Shares on December 31, 2023 of CAD \$0.47 and the exercise price of the Options.
- (2) These options were granted on September 7, 2021 and were fully vested as of December 31, 2023.
- (3) These options were granted on February 10, 2022. These options vested 1/3 on grant date, 1/3 on February 10, 2023, and 1/3 on February 10, 2024.
- (4) These options were granted on May 18, 2023. These option vest 1/3 on grant date, 1/3 on May 18, 2024 and 1/3 on May 18, 2025.
- (5) These options were granted on May 18, 2023. These option vest 1/3 on grant date, 1/3 on October 1, 2023, and 1/3 on October 1, 2024.

### Value Vested or Earned During the Year

The following table sets forth, for each of the Named Executive Officers of the Company, the value of all incentive plan awards that vested during the year ended December 31, 2023.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (US\$)	Share-based awards – Value vested (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Michael Costa	43,660	Nil	Nil
Wes Fulford	43,660	Nil	Nil
Kwesi Marshall	8,581	Nil	Nil
Andrew Fedak	7,448	Nil	Nil
Ryan Hornby	54,155	Nil	Nil

**Notes:**

(1) This is the aggregate Black-Scholes value in US dollars that vested during fiscal year 2023.

### Employment and Consulting Agreements

The Company has entered into employment or consulting agreements with each of its Named Executive Officers on the terms set forth below. All of the executive employment agreements provide for base salary, discretionary bonuses and equity plan awards, as approved by the Board, paid vacation and enrolment in the Company's benefits plans in place from time to time and provide payment on termination without just cause or in the event of Change of Control of the Company as described below.

The term "**Change of Control**" as used below is defined in the Company's employment agreements for Named Executive Officers and Equity Incentive Plan (as defined below) as an occurrence of any one or more of the following events:

- a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- d) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act* (Ontario)) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding voting securities which may be cast to elect directors of the Company or the successor corporation

(regardless of whether a meeting has been called to elect directors);

- e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, where the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or
- f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

Michael Costa, Chief Executive Officer

The employment agreement between Michael Costa and the Company includes a termination provision whereby if Mr. Costa is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), he will receive three months' base salary payment and issuance of annual Award in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months, payment of accrued bonus and continued benefits for a period of 24 months. This same amount will be payable upon termination without cause (which includes an involuntary reduction/curtailment of his role and responsibilities) within six-months of a Change of Control event, except that such payment in lieu of notice will not amount to less than the equivalent of twenty-four months' base salary plus three months' base salary payment in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months and issuance of annual Award for such period. Mr. Costa is entitled to a lump sum payment of twenty-four months' base salary, two years of annual bonus, annual Award and benefits upon the sale of substantially all of the Company's assets or if one or more persons acting jointly acquire more than 80% of the Company's then outstanding voting securities ("**Substantial Sale**"). All unvested Options currently held by Mr. Costa will automatically vest if Mr. Costa is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), a Substantial Sale or Change of Control event. Mr. Costa's employment arrangement includes non-competition and non-solicitation provisions. Assuming no annual Award and *de minimus* benefit value, as of January 1, 2024, Mr. Costa would be entitled to compensation equal to 3 times his annual salary and bonus if he was terminated without cause, 2 times his annual salary and bonus upon a Substantial Sale, or 3 times his annual salary and bonus if he was terminated immediately prior to or subsequent to Change of Control event.

Wesley Fulford, President and Former Chief Financial Officer

The employment agreement between Wes Fulford and the Company includes a termination provision whereby if Mr. Fulford is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), he will receive three months' base salary payment and issuance of annual Award in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months, payment of accrued bonus and continued benefits for a period of 24 months. This same amount will be payable upon termination without cause (which includes an involuntary reduction/curtailment of his role and responsibilities) within six-months of a Change of Control event, except that such payment in lieu of notice will not amount to less than the equivalent of twenty-four months' base salary plus three months' base salary payment in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months and issuance of annual Award for such period. Mr. Fulford is entitled to a lump sum payment of twenty-four months' base salary, two years of annual bonus, annual Award and benefits upon a Substantial Sale. All unvested Options currently held by Mr. Fulford will automatically vest if Mr. Fulford is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), a Substantial Sale or upon a Change of Control event. Mr. Fulford's employment arrangement includes non-competition and non-solicitation provisions. Assuming no annual Award, *de minimus* benefit value and a bonus equal to that received in 2023, as of January 1, 2024 Mr. Fulford would have be entitled to compensation equal to his annual salary and bonus if he was terminated without cause, 2 times his annual salary and bonus upon a Substantial Sale, or 3 times his annual salary and bonus if he was terminated immediately prior to or subsequent to Change of Control event.

Kwesi Marshall, Chief Financial Officer

Pursuant to the terms of his employment agreement, Mr. Marshall receives an annual salary of US\$150,000. In the event Mr. Marshall's is terminated without cause, he will receive one months' base salary payment as severance in lieu of notice for each year or partial completed year of employment to a maximum of twelve months.

Andrew Fedak, Chief Strategy Officer

Pursuant to the terms of his consulting arrangement, Mr. Fedak receives an annual consulting fee of US\$275,000. Either party may terminate the agreement upon 30 days written notice.

Ryan Hornby, Chief Legal Officer and Corporate Secretary

The employment agreement between Mr. Hornby and the Company includes a termination provision whereby if Mr. Hornby is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), he will receive three months' base salary payment and issuance of annual Award in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months, payment of accrued bonus and continued benefits for a period of 24 months. This same amount will be payable upon termination without cause (which includes an involuntary reduction/curtailment of his role and responsibilities) within six-months of a Change of Control event, except that such payment in lieu of notice will not amount to less than the equivalent of twenty-four months' base salary plus three months' base salary payment in lieu of notice for each year or partial completed year of employment to a maximum of thirty-six months and issuance of annual Award for such period. Mr. Hornby is entitled to a lump sum payment of twenty-four months' base salary, two years of annual bonus, annual Award and benefits upon a Substantial Sale. All unvested Options currently held by Mr. Hornby will automatically vest if Mr. Hornby is terminated without cause (which includes an involuntary reduction or curtailment of his role and responsibilities), a Substantial Sale or upon a Change of Control event. Mr. Hornby's employment arrangement includes non-competition and non-solicitation provisions. Assuming no annual Award, *de minimus* benefit value and a bonus equal to that received in 2023, as of January 1, 2024 Mr. Hornby would have be entitled to estimated compensation equal to 0.75 times his annual salary and bonus if he was terminated without cause, 2 times his annual salary and bonus upon a Substantial Sale, or 2.75 times his annual salary and bonus if he was terminated immediately prior to or subsequent to Change of Control event.

## **COMPENSATION OF DIRECTORS**

### **Summary Compensation Table**

Each of the non-executive directors earned and received fees during 2023 as set out below. On a go forward basis, each non-executive director is entitled to receive C\$41,455 per annum for their director services in the normal course, the chair of the Board receives an additional C\$20,000 per annum and the chair of the Audit Committee receives an additional C\$15,000 per annum. In addition, non-executive directors may be granted equity bases incentives and receive additional one-time or special cash fees for additional or special services. Directors are reimbursed for out-of-pocket expenses incurred in attending meetings and otherwise carrying out their duties as directors of the Company.

The objective in determining such director compensation will be to ensure that the Company can attract and retain experienced and qualified individuals to serve as directors. In the long-term, the Company expects to continue to compensate its non-executive directors through the payment of director fees and through the grant of long-term equity incentives.

The following table sets out all compensation earned by Directors of the Company for the year ended December 31, 2023.

Director	Fees Earned (US\$) <sup>(1)</sup>	Option-based Awards (US\$) <sup>(1)</sup>	Share-based Awards (US\$) <sup>(1)</sup>	Non-equity incentive plan compensation (US\$) <sup>(1)</sup>	Total Compensation (US\$) <sup>(1)</sup>
Bruce Tozer	45,106	13,247	Nil	Nil	58,353
Margot Naudie	50,395	15,020	Nil	Nil	65,415
Catherine Flax	52,515	13,247	Nil	Nil	65,762

**Notes:**

(1) Stated in US dollars (USD) where applicable. Canadian dollar (CAD) amounts were converted to USD using the average CAD to USD exchange rate 0.74 for the fiscal year ended 2023.

**Incentive Plan Awards**

*Option-Based Awards and Share-Based Awards*

The following table provides information regarding the incentive plan awards for each director of the Company outstanding as of December 31, 2023.

Directors	Option-based Awards				Share-based Awards		
	Number of securities Underlying unexercised options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-The-Money Option <sup>(1)</sup> (US\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (US\$)	Market or payout value of vested share-based awards not paid out or distributed (US\$)
Bruce Tozer	125,000 <sup>(2)</sup>	\$0.25	9/7/2025	\$34,235	Nil	Nil	Nil
	75,000 <sup>(3)</sup>	\$1.00	2/10/2026				
Margot Naudie	100,000 <sup>(2)</sup>	\$0.50	9/7/2025	Nil	Nil	Nil	Nil
	100,000 <sup>(3)</sup>	\$1.00	2/10/2026				
Catherine Flax	125,000 <sup>(2)</sup>	\$0.25	9/7/2025	\$34,235	Nil	Nil	Nil
	75,000 <sup>(3)</sup>	\$1.00	2/10/2026				

**Notes:**

(1) Calculated based on the difference between the closing price of the Shares on December 31, 2023 of CAD \$0.47 and the exercise price of the Options. The value of unexercised in-the-money options are stated in US dollars.

(2) These options were granted on September 7, 2021 and were fully vested as of December 31, 2023.

(3) These options were granted on February 10, 2022. These options vested 1/3 on grant date, 1/3 on February 10, 2023, and 1/3 on February 10, 2024.

### Value Vested or Earned During the Year

The following table sets forth, for each of the Directors of the Company, the value of all incentive plan awards that vested during the year ended December 31, 2023.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (US\$)	Share-based awards – Value vested (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Bruce Tozer	13,247	Nil	Nil
Margot Naudie	15,020	Nil	Nil
Catherine Flax	13,247	Nil	Nil
Maryam Ayati	11,310	Nil	Nil

**Notes:**

(1) This is the aggregate Black-Scholes value in US dollars that vested during fiscal year 2023.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of December 31, 2023, there were 117,918,182 Shares issued and outstanding. The total number of Shares made available for issuance from treasury under all share-based compensation arrangements of the Company shall not exceed 10% of the number of Shares then issued and outstanding. The following table provides details, as of December 31, 2023, for the Company's compensation plans under which equity securities of the Company are authorized for issuance from treasury.

Plan Category	Number of Company Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans <sup>(1)</sup>
Equity compensation plans approved by securityholders	7,171,666	\$0.78	4,620,151
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
<b>TOTAL</b>	<b>7,171,666</b>	<b>\$0.78</b>	<b>4,620,151</b>

**Notes:**

(1) Based on a total of 11,791,818 Shares issuable pursuant to all share-based compensation arrangements representing 10% of the Company's issued and outstanding share capital of 117,918,182 Shares as at December 31, 2023.

### Summary of Equity Incentive Plan

On February 15, 2022, shareholders of the Company approved an equity incentive compensation plan which was adopted by the Board effective February 22, 2022. Certain amendments to the plan were recommended by Plan Administrator (as defined below) on April 17, 2024, and the amended and restated equity incentive compensation plan (the “**Equity Incentive Plan**”) was subsequently approved by the Board on May 10, 2024. The amendments were to provide for certain Awards to Participants resident in the United



States on similar terms to Canadian resident Participants. The principal terms of the Equity Incentive Plan are described below.

### *Purpose*

The purpose of the Equity Incentive Plan is to advance the interests of the Company by encouraging eligible Participants to receive equity-based compensation and incentives, thereby (i) increasing the interest in the Company's welfare of those eligible Participants (as defined herein) who share responsibility for the management, growth and protection of the business of the Company, (ii) providing an incentive to eligible Participants to continue their services for the Company and encouraging such eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company are necessary or essential to its success, image, reputation or activities, (iii) rewarding eligible Participants for their performance of services while working for the Company, and (iv) providing a means through which the Company may attract and retain able persons.

### *Eligibility*

Any of the Company's or its affiliates' employees, officers, directors, consultants and advisors, and certain recipients which may be respectively related to such persons, including their spouse and holding entities controlled by them or their spouse, are eligible to participate in the Equity Incentive Plan if deemed appropriate by the Board, or such committee of the Board which the Board may delegate administration responsibility under the Equity Incentive Plan (the "**Participants**"). The Board has delegated such administration responsibility under the Equity Incentive Plan to the Compensation, Corporate Governance and Nominating Committee (the "**Plan Administrator**"). The basis of participation of a person under the Equity Incentive Plan, and the type and amount of any award that a person will be entitled to receive under the Equity Incentive Plan (an "**Award**"), will be determined by the Board, or the Plan Administrator, as applicable, and therefore cannot be determined in advance.

The Board, or the Plan Administrator, as applicable, may, in its discretion, grant Awards (including to persons not considered to be eligible Participants) under the Equity Incentive Plan:

- a) in substitution or exchange for, any other Award or any award granted under another plan of the Company, or any affiliate;
- b) in assumption, substitution or exchange for, outstanding equity awards previously granted by a company or other entity acquired by the Company, or any affiliate, or with which the Company, or any affiliate, combines in connection with a corporate transaction, which shall include, but not be limited to, the Options; or
- c) in substitution or exchange for any other right of a Participant to receive payment from the Company or any affiliate.

Such substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall require the surrender of such other Award for cancellation and such surrendered Award shall no longer be treated as being outstanding for the purposes of determining the aggregate plan limitations.

In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any affiliate.

### *Aggregate and Specific Grant Limits*

The maximum number of Shares that may be issued under the Equity Incentive Plan shall be determined by the Board, or the Plan Administrator, as applicable, from time to time subject to the following limits:

- a) The total number of Shares reserved and available for grant and issuance pursuant to Options to be issued under the Equity Incentive Plan shall not exceed 10% of the total aggregate issued and outstanding Shares at the time of grant.
- b) The maximum number of Shares that will be available for grant and issuance pursuant to RSUs and or PSUs (as defined herein) is 10% of the issued and outstanding Shares at the time of grant, provided that, in no event shall the aggregate number of Shares reserved and available for grant and issuance pursuant to all Awards exceed 10% of the total aggregate issued and outstanding Shares at the time of grant.
- c) Unless disinterested shareholder approval as required by the policies of Cboe Canada is obtained:
  - a. the total number of Shares for which Awards may be issued to Related Persons (as such term is defined in the policies of Cboe Canada) both in the aggregate and in any 12-month period shall not exceed 10% of the total aggregate issued and outstanding Shares;
  - b. the total number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the total aggregate issued and outstanding Shares;
  - c. the total number of Shares for which Awards may be issued to any one consultant of the Company in any 12-month period, and to all consultants in the aggregate, shall not exceed 2% of the total aggregate issued and outstanding Shares; and
  - d. the total number of Shares for which Awards may be issued to persons engaged in investor relations activities in any 12-month period shall not exceed 2% of the total aggregate issued and outstanding Shares and such Shares reserved for issuance to such persons must vest over a period of not less than 12 months with no more than one-quarter of the Shares vesting in any three-month period.

### *Options*

Subject to the terms and conditions of the Equity Incentive Plan, the Board, or the Plan Administrator, as applicable, may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the Options, the number of Shares to which the Option pertains, and the conditions, if any, upon which shall become vested and exercisable) as the Board, or the Plan Administrator, as applicable, shall determine.

The exercise price for Options will be determined by the Board, or the Plan Administrator, as applicable, which may not be less than the market value of a Share (provided that such market value shall not be lower than the maximum permitted discount price of Cboe Canada, if applicable) on the date the Option is granted, being the closing price of the Shares on Cboe Canada on the last trading day prior to the relevant date or the five-day volume weighted average trading price of the Shares on Cboe Canada (the “**VWAP**”) prior to the relevant date.

Unless otherwise specified in an award agreement granting Options, Options shall vest subject to Cboe Canada policies, and the Board, or the Plan Administrator, as applicable, may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Options must be exercised within a period fixed by the Board, or the Plan Administrator, as applicable, that may not exceed 10 years from the date of grant, provided that if the expiry date falls during a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period. The Equity Incentive Plan will also provide for earlier expiration of Options upon the occurrence of certain events, including the termination of a Participant’s employment.

Upon vesting of an Option, a Participant, excluding any Participants who are persons engaged to conduct investor relations activities, may elect to surrender all or part of the Options to the Company in consideration of a payment of the exercise price in only the number of Shares that is the equal to the quotient obtained by dividing:

- a) the product of the number of Options being exercised multiplied by the difference between the VWAP of the Shares on the date of exercise and the exercise price; by
- b) the VWAP of the Shares on the date of exercise,

and, where the Participant is subject to the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of the Option, the Company shall make the election provided for in subsection 110(1.1) of the Tax Act.

### *RSUs*

Restricted Share Units (“**RSUs**”) are granted in reference to a specified number of Shares and entitle the holder to receive, on achievement of specific performance goals established by the Board after a period of continued service with the Company or its affiliates or any combination of the above as set forth in the applicable award agreement, one Share for each such Share covered by the RSU; provided, that the Board, or the Plan Administrator, as applicable, may elect to pay cash, or part cash and part Shares in lieu of delivering only Shares. The Board, or the Plan Administrator, as applicable, may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Board, or the Plan Administrator, as applicable, upon a Participant’s termination of service with the Company, the unvested portion of the RSUs will be forfeited.

### *PSUs*

Participants may be granted Performance Share Units (“**PSUs**”) that may be denominated or payable in cash, Shares, other Awards or other property. PSUs granted under the Equity Incentive Plan will confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Board, or the Plan Administrator, as applicable, shall establish. Subject to the terms of the Equity Incentive Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance Award granted, the amount of any payment or transfer to be made pursuant to any performance Award and any other terms and conditions of any performance Award will be determined by the Board, or the Plan Administrator, as applicable.

### *Dividend Equivalents*

The terms of an Award of RSUs or PSUs may include provision for the accrual of dividend equivalent amounts with respect to cash dividends paid in the ordinary course to shareholders in respect of outstanding Shares. If the Board, or the Plan Administrator, as applicable, determines that dividend equivalent amounts will be accrued in respect of RSUs or PSUs subject to an Award, if and when cash dividends are paid with respect to Shares (other than any extraordinary dividend) to shareholders of record as of a record date occurring during the period from the effective date of the applicable Award to the date of settlement thereof, a number of additional RSUs or PSUs, as the case may be, shall be granted to the holder of such Award equal to the greatest number of whole Shares having a market value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Share multiplied by (ii) the number of RSUs or PSUs subject to such Award as of the record date for the dividend. The additional RSUs or PSUs granted to a Participant shall be subject to the same terms and conditions, including vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

## *Adjustments*

In the event that (A) a dividend shall be declared upon the Shares or other securities of the Company payable in Shares or other securities of the Company, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Company out of the ordinary course of business, then, the Board, or the Plan Administrator, as applicable, shall determine whether an adjustment in the number or kind of Shares authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the exercise price applicable under any outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the Equity Incentive Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the Equity Incentive Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Board, or the Plan Administrator, as applicable, determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.

No adjustment provided for in the Equity Incentive Plan shall require the Company to issue a fractional Share and the total adjustment with respect to each outstanding Award shall be limited accordingly.

## *General*

The Board, or the Plan Administrator, as applicable, may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Equity Incentive Plan shall be non-transferable except to limited related parties of the applicable Participant, including, among others, their spouse, former spouse, children, stepchildren, grandchildren, parent and any entity in which these Persons (or the Participant) own more than fifty percent of the voting interests provided applicable Cboe Canada approval is obtained. No Participant shall have any rights as a shareholder with respect to Shares covered by any Awards, unless and until such Awards are settled in Shares.

No Awards shall be exercisable, nor Shares issued or payment made under the Equity Incentive Plan except in compliance with all applicable laws.

The Board may, at any time, suspend or terminate the Equity Incentive Plan. Subject to compliance with applicable laws, including Cboe Canada policies, if applicable, the Board may also, at any time, amend or revise the terms of the Equity Incentive Plan and any Award. No such amendment of the Equity Incentive Plan or Award may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Equity Incentive Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

Notwithstanding the above, to the extent required by applicable law or by Cboe Canada policies, if applicable, shareholder approval or disinterested shareholder approval (as required by Cboe Canada policies) and approval of Cboe Canada, as applicable, will be required for the following types of amendments:

- a) any amendment which reduces the exercise price or purchase price of an Award, except for purposes of maintaining an Awards value in the case of adjustment or a "Change of Control" in accordance with the Equity Incentive Plan;
- b) any amendment which reduces the exercise price or purchase price of an Option, if the holder of such Options is a Related Person (as such term is defined in the policies of Cboe Canada) of the Company at the time of such amendment, in which case disinterested shareholder approval as required by Cboe Canada policies must be obtained;

- c) any amendment that would result in the cancellation of an Option in exchange for an Option with a lower exercise price from that of the original Option or another Award or cash payment except in the case of adjustment or a “Change of Control” in accordance with the Equity Incentive Plan;
- d) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the Equity Incentive Plan;
- e) any amendment extending eligibility to participate in the Equity Incentive Plan to persons other than officers, employees, directors or consultants or increasing the annual limit on Awards;
- f) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
- g) any amendment increasing the maximum aggregate number of Shares that may be subject to issuance at any given time in connection with Awards granted under the Equity Incentive Plan, subject to adjustments contemplated in the Equity Incentive Plan;
- h) any amendment to the amendment provisions; and
- i) any other amendment required to be approved by shareholders under applicable law or Cboe Canada policies.

For the avoidance of doubt, the Board may, however, subject to receipt of requisite regulatory approval (including any applicable Cboe Canada approval), where required, in its sole discretion, make all other amendments to the Equity Incentive Plan, that are not of the type contemplated above, including, without limitation:

- a) amendments of a housekeeping nature;
- b) the addition of or a change to vesting provisions of an Award or the Equity Incentive Plan; and
- c) a change to the termination provisions of an Award or the Equity Incentive Plan which does not entail an extension beyond the original expiry date.

#### *Tax Withholding*

The Company or any affiliate may withhold from any amount payable to a Participant, either under the Equity Incentive Plan or otherwise, such amount as may be necessary so as to ensure that the Company or any affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

We consider strong and transparent corporate governance practices to be an important factor in the overall success of the Company and we are committed to adopting and adhering to the highest standards in corporate governance.

Guidance on corporate governance practices is provided in NP 58-201, while NI 58-101 requires issuers to make the prescribed disclosure regarding their governance practices.

The Company also complies with NI 52-110 including requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit related matters. For certain information with respect to the Audit Committee, including its charter and composition and the relevant education and experience of its members, please refer to the section entitled “*Audit Committee Disclosure*”

in the Company's annual information form for the fiscal year ended December 31, 2023, dated April 2, 2024 ("AIF"), copies of which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Board has adopted charters and/or mandates for the Board and each of its committees, being the Audit Committee and the Compensation, Corporate Governance and Nominating Committee. A copy of the Board mandate is attached here too as Annex I and copies of each of the Board and committee charters/mandates can be found on the Company's website at [www.basecarbon.com](http://www.basecarbon.com). The Board intends to develop position descriptions for each of the committee chairs, the CEO and CFO.

## Board of Directors

The Board is responsible for developing our approach to corporate governance issues and is committed to ensuring that a healthy governance culture exists at the Company. Based on recommendations provided by the Compensation, Corporate Governance and Nominating Committee, the directors of the Company will periodically review the size, composition and compensation of the Board, the effectiveness of the Board and its individual members, and appropriate committee structures, mandates, composition, membership, and effectiveness (see "Assessments" below). Our Board believes that given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities.

The nominated directors to the Board is composed of five directors, a majority of which, or 3 of 5, are considered to be "independent" pursuant to the definition referenced in NI 58-101 and as set out in NI 52-110. Catherine Flax (chair), Margot Naudie, and Bruce Tozer are each considered to be independent. Michael Costa and Andrew Fedak are not considered independent because each are executive officers of the Company.

The Board has appointed Ms. Flax as chair of the Board. As chairperson, Ms. Flax provides Board leadership and assists with the identification of items of importance for consideration by the directors facilitating the discharge of their duties to the Company.

The Board and the Audit Committee have a practice of holding "in camera" sessions at the end of each meeting to discuss relevant topics without management. The Board has held seven "in camera" session and the Audit Committee has held six "in camera" sessions since the beginning of the most recently completely financial year.

### Directorships

It is expected that each director will be able to devote sufficient time to the Company in order to effectively discharge his or her responsibilities. As such, the current obligations of each director to other public company boards is carefully considered and the number of public company boards that each director may join is monitored. To maintain director independence and avoid potential conflicts of interest, the Board has adopted a policy that requires directors to advise the chair of the Board prior to accepting any other public company directorship. In addition, directors are expected to report changes in their business and professional affiliations or responsibilities, including retirement, to the chair of the board. The nominee directors of the Company are currently directors of the following other reporting issuers:

Director	Other Reporting Issuer	Trading Market
Catherine Flax	Abaxx Technologies Inc.	Cboe Canada
Margot Naudie	Abaxx Technologies Inc. Treasury Metals Inc. CoTech Holdings Corp. Amerigo Resources Ltd. Osino Resources Corp.	Cboe Canada TSX TSX Venture TSX TSX Venture
Bruce Tozer	M.P. Evans PLC	LSE

### *Meeting Attendance*

The following table sets out the attendance of Board and committee meetings by directors and committee members since the beginning of the most recently completed financial year.

<b>Director</b>	<b>Board</b>	<b>Audit Committee</b>	<b>Compensation, Corporate Governance and Nominating Committee</b>
Michael Costa	17/17	-	-
Catherine Flax	15/16	7/7	6/6
Andrew Fedak	16/16	-	-
Margot Naudie	16/16	7/7	6/6
Bruce Tozer	15/17	7/7	6/6

### *Orientation and Continuing Education*

The Board of Directors of the Company will brief all new directors with the policies of the Board, and other relevant corporate and business information. The Compensation, Corporate Governance and Nominating Committee intends to work with management to ensure that new recruits to the Board are familiarized with the business of the Company, its management, its professional advisors, and its facilities. Directors will be encouraged to periodically attend applicable conferences or seminars, or obtain materials pertaining to their role on the Board or that may otherwise increase their knowledge of current issues in the voluntary carbon markets, which may be paid for in part or in whole by the Company.

### *Code of Business Conduct and Environmental, Social and Corporate Governance Policy*

The Board has a Code of Business Conduct and Ethics (“the **Code**”) for its directors, officers, employees and consultants, a copy of which is available on the Company’s website at [www.basecarbon.com](http://www.basecarbon.com). The Compensation, Corporate Governance and Nominating Committee will be responsible for assisting the Board in dealing with conflict of interest issues as contemplated by the Code, and reviewing and reassessing the adequacy of the Code annually and recommending changes to the Board. The Code is intended to: promote honest and ethical conduct and manage conflicts that may arise; promote full, fair, accurate, timely and understandable disclosure to the public, including the Company’s periodic reports required to be filed with the Canadian securities regulatory authorities; promote compliance with applicable governmental rules and regulations; provide guidance to directors, officers and employees of the Company to help them recognize and deal with ethical issues; provide a mechanism to report unethical conduct; and help foster a culture of honesty and accountability. In addition to the Code, the Board has adopted a specific Environmental, Social and Corporate Governance (“**ESG**”) Policy that is fundamental to all business decisions and conduct of operations. The Company believes this Code and ESG Policy will help to improve its credibility, industry leadership, environmental impact and relationship with key stakeholders, including its employees, service providers and the communities in the vicinity of its operations. A copy of the Code and ESG Policy, along with copies of all corporate governance policies can be found on the Company’s website at [www.basecarbon.com](http://www.basecarbon.com).

### *Corporate Disclosure Policy and Insider Trading Policy*

The Board is also committed to best practices in making timely and accurate disclosure of all material information and providing fair and equal access to material information. The Board has adopted a written Corporate Disclosure Policy and Insider Trading Policy to set guidelines for the Company and its directors, officers, employees and consultants in respect of satisfying the legal and ethical obligations related to the proper and effective disclosure of corporate information and the trading of securities with that information, copies of which are available on the Company’s website at [www.basecarbon.com](http://www.basecarbon.com).

### *Whistleblower Policy*

The Board has adopted a Whistleblower Policy for ensuring that a confidential and anonymous process exists whereby persons can report any concerns related to compliance with all applicable laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against stakeholders of the Company. A copy of the Whistleblower Policy is available on the Company's website at [www.basecarbon.com](http://www.basecarbon.com).

### *Clawback Policy*

The Board has adopted a clawback policy (the "**Clawback Policy**") relating to any bonus, equity-based or other incentive-based compensation awarded or granted to the Company's executive officers, including Named Executive Officers, as an additional approach to mitigate compensation risk. The Clawback Policy provides that the Compensation, Corporate Governance and Nominating Committee will determine the extent of reimbursement of such compensation received by a subject officer required in the event of a restatement of the Company's financial statements included in the Company's public disclosure documents due to the subject officer having engaged in misconducted or prohibited conduct. The Compensation, Corporate Governance and Nominating Committee of the Board will review the adequacy and form of compensation of Directors and senior management as a whole and make recommendations to the Board. See "*Compensation of Executive Officers*".

### *Assessments*

The Compensation, Corporate Governance and Nominating Committee will be responsible for implementing a process for assessing the effectiveness of the Board and its committees and for assessing the contribution of each of the Company's directors. The Compensation, Corporate Governance and Nominating Committee will monitor the performance of the Board and its committees, and consider whether the current mix of directors' skills, expertise and experience is best suited to achieve the strategic goals of the Company and carrying out the mandate of the Board.

The Board believes that a broad range of skills and expertise is necessary for the Board to discharge its responsibilities. Specific skills and expertise must be considered in the context of integrity and good judgment, together with the ability to devote sufficient time to Board affairs.

### *Director Term Limits and Other Mechanisms of Board Renewal*

The Board believes that the need to have experienced directors who are familiar with the business of the Company must be balanced with the need for renewal and fresh perspectives when assessing management and its recommendations. The Board has implemented a formal assessment process that evaluates the performance of the Board and its committees and the skills and contribution of each Director. The Board and the Compensation, Corporate Governance and Nominating Committee intend to consider the adoption of term limits and other mechanisms of Board renewal.

### *Diversity*

The Board recognizes that a diverse and talented workforce is a competitive advantage, and that the Company's success is the result of the quality and skills of its people. The Company's commitment to the principles of diversity is included in the Company's ESG Policy. Currently, 40% of the nominated directors of the Company are women. The Company does not currently have any women serving as executive officers.



The Company's overall strategy includes pursuing the following objectives:

- recruit, manage and promote on the basis of an individual's competence, qualification, experience and performance, regardless of gender, age, race, nationality, religious beliefs, cultural background, sexual orientation or any other basis;
- create a workplace characterized by inclusive practices and behaviours for the benefit of all staff and stakeholders, which is free from discriminatory behaviours and business practices;
- identify relevant factors to be taken into account in the employee selection process and develop practices to limit potential unconscious bias;
- attract and retain a diverse range of talented individuals to further the Company's corporate goals;
- provide appropriate flexible work practices and policies to support employees;
- establish procedures for monitoring, encouraging, and assessing diversity within the Company; and
- take action to discourage discrimination, bullying and harassment.

The Board values diversity of experience, perspective, education, gender, background, race, and national origin. The selection of candidates for appointment or nomination to the Board will be based on merit, experience and expected contribution to the Board's performance, which accordingly takes in to account diversity.

The Board and the Company are committed to ensuring a diverse and inclusive culture across the organization, including at the executive level, by promoting equality of opportunity. The Company has not imposed quotas or targets regarding the representation of women in executive officer positions, however, the Board encourages the consideration of women who have the necessary skills, knowledge, experience, and character when considering new potential candidates for executive officer positions.

### **Compensation, Corporate Governance and Nominating Committee**

The Compensation, Corporate Governance and Nominating Committee of the Board is comprised of directors, Catherine Flax (Chair), Margot Naudie and Bruce Tozer, each of whom are considered independent for the purposes of NP 58-201. Further description of the role and responsibilities of the Compensation, Corporate Governance and Nominating Committee can be found above under the headings "*Compensation of Executive Officers*" and "*Compensation of Directors*" above and a copy of the committee's mandate can be found on the Company's website at [www.basecarbon.com](http://www.basecarbon.com).

### **Audit Committee**

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. In addition to other functions, the Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholders, reviews the Company's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes and assists the Board in discharging its duties relating to risk assessment and risk management.

The Audit Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors to assist the Audit Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such advisors' fees and other retention terms without prior approval of the Board.

The members of the Audit Committee are Margot Naudie (Chair), Catherine Flax and Bruce Tozer. Each member of the Audit Committee is considered "independent" within the meaning of NI 52-110. Each member of the Audit Committee is considered to be "financially literate" within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and

level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Company's financial statements.

The Company has an AIF on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), which contains, among other things, additional information regarding the Audit Committee and, in particular, the information that is required to be disclosed in Form 52-110F1 of NI 52-110 may be found under the heading "*Audit Committee Disclosure*" in the AIF.

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

There is not, and there has not been within the thirty days before the date of this Circular, any indebtedness owing to the Company from any executive officers or directors or former directors or executive officers or any subsidiary or any associate of such person, including indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may also contact the Company at [info@basecarbon.com](mailto:info@basecarbon.com) to request copies of the MD&A and Financials. Financial information is provided in the Company's MD&A and Financials.

**DIRECTORS' APPROVAL**

The contents of this Circular has been approved by the Board.

**DATED** the 10<sup>th</sup> day of May, 2024.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*(signed) Catherine Flax*

Catherine Flax  
Chair of the Board

## ANNEX I

### MANDATE OF THE BOARD OF DIRECTORS BASE CARBON INC.

#### Purpose

The members of the board of directors (the “**Board**”) of Base Carbon Inc. (the “**Corporation**”) have a duty to supervise the management of the business and the affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation’s strategic planning and organizational structure and supervising management to ensure that the foregoing enhances and preserves the underlying value of the Corporation.

Although directors may be elected by the shareholders of the Corporation to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

#### Composition

1. The Board’s composition and organization will be determined in accordance with the articles and by-laws of the Corporation, the Business Corporations Act (Ontario) (the “**Act**”), applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.
2. The Board believes that the appropriate mix of skills, experience, age, gender and diversity will help to enhance its performance. The Board’s composition should reflect business experience compatible with the Corporation’s business objectives and goals.

#### Meetings

3. Meetings of the Board will be held from time-to-time as the Board, the Chair or a member of the Board will determine as necessary to perform the duties described herein, provided that the Board will meet at least four (4) times per year.
4. The independent directors of the Board will hold periodic meetings at which non-independent directors and management are not in attendance.
5. The Board may invite such officers, directors, employees or advisors of the Corporation, any of its subsidiaries, or such other persons as it may see fit from time to time to attend meetings of the Board and assist in the discussion and consideration of the affairs of the Board. All Board members and such meeting invitees have an obligation to disclosure to all other members of the Committee any conflicts of interest (including potential conflicts of interest) with respect to any matter to be discussed and/or decided at a meeting.

#### Delegation of Authority

6. The Board discharges its responsibility for overseeing the management of the Corporation’s business by delegating to the Corporation’s senior management the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities that have not been delegated to the Corporation’s senior management both directly and through its committees, the Audit Committee and Compensation, Corporate Governance and Nominating Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature.

The Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

### **Duties of Directors**

7. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

#### *Appointment and Review of Senior Management*

- a) The Board has the responsibility for approving the appointment of the Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO") of the Corporation and all other senior management, monitoring their performance and approving their compensation. To the extent feasible, the Board will satisfy itself as to the integrity of the CEO and the CFO and other senior management and that the CEO and the CFO and other senior management create a culture of integrity throughout the Corporation. The Board may provide advice and counsel in the execution of their respective duties as appropriate.
- b) The Board will review reports from the Compensation Committee of the Board, including annual compensation reviews, and consider the recommendations of such committee with respect to the compensation programs of the Corporation.
- c) The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.
- d) The Board has the responsibility for approving the succession planning programs for senior management, including programs to appoint, train, develop and monitor senior management.

#### *Board Organization and Compensation*

- e) The Board is responsible for approving: (i) the size of the Board; (ii) the selection of the Chair of the Board<sup>1</sup>; (iii) the candidates nominated for election to the Board; (iv) the structure and members of Board committees and appointment of committee chairs; and (v) director compensation.

#### *Strategic Planning*

- f) The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Corporation and its objectives and goals and the strategy by which it proposes to reach those goals.
- g) The Board is responsible for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals and such strategic plans will take into account, among other things, the opportunities and risks of the business.
- h) The Board has the responsibility to provide input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

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<sup>1</sup> The independent directors of the Board may, in their discretion, also appoint a lead independent director of the Board.

### *Monitoring of Performance and Approval of Public Disclosure Documents*

- i) The Board is responsible for:
  - i. adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation; and
  - ii. taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.
- j) The Board will be responsible for approving the audited financial statements and, if required by applicable securities laws, interim financial statements, including, in each case, any notes thereto and Management's Discussion and Analysis accompanying such financial statements and all other public disclosure documents required by applicable regulatory and securities laws.
- k) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

### *Risk Management*

- l) The Board is responsible for identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.
- m) The Board is responsible for the Corporation's internal control and management information systems.

### *Environmental, Social and Corporate Governance Policies and Procedures*

- n) The Board is responsible for:
  - i. developing and reviewing, the Corporation's approach to environmental, social and corporate governance, including developing a set of environmental, social and corporate governance principles and guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance; and
  - ii. approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees, among others, of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- o) The Board enforces its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations.
- p) The Board is responsible for adopting and monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

### *Communications and Reporting*

- q) The Board is responsible for approving and revising from time to time, as circumstances warrant, a Corporate Disclosure Policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- r) The Board is responsible for:
  - i. overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely, regular and non-selective basis;
  - ii. overseeing that the financial results are reported fairly and in accordance with international financial reporting standards and related legal disclosure requirements;
  - iii. taking steps to enhance the timely, non-selective disclosure of any other developments that have a significant and material impact on the Corporation; and
  - iv. overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

### *Position Descriptions*

- s) The Board is responsible for:
  - i. determining whether to develop position descriptions for the Chair of the Board, the chair of each Board committee, the CEO and the CFO and developing such position descriptions if applicable;
  - ii. developing and approving the corporate goals and objectives that each of the CEO and the CFO is responsible for meeting; and
  - iii. communicating the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

### *Orientation and Continuing Education*

- t) The Board is responsible for:
  - i. ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and
  - ii. providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

### *Nomination of Directors*

- u) In connection with the nomination or appointment of individuals as directors, the Board is responsible for:
  - i. considering what competencies and skills the Board, as a whole, should possess;
  - ii. assessing what competencies and skills each existing director possesses; and
  - iii. considering the appropriate size of the Board, with a view to facilitating effective decision making.

### *Board Evaluation*

- v) The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed with respect to effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

In addition to these duties and responsibilities, the Board will perform the duties required of a board of directors under the Act, binding requirements of the stock exchanges on which the securities of the Corporation are listed and all other applicable laws and regulations.

### **General**

- 8. The Board has the authority to engage outside advisors as it determines necessary to carry out its duties.
- 9. The Corporation will provide appropriate funding, as determined by the Board, for payment: (i) of compensation to any advisors engaged by the Board; and (ii) of ordinary administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

### **Currency of this Mandate**

This Mandate of the Board of Directors was approved by the Board on March 28, 2024.



**ANNEX II**  
**EQUITY INCENTIVE PLAN**  
**BASE CARBON INC.**

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**BASE CARBON INC.**

**AMENDED AND RESTATED  
EQUITY INCENTIVE COMPENSATION PLAN**

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(Effective May 10, 2024)

## TABLE OF CONTENTS

<b>ARTICLE 1 PURPOSE AND AMENDMENT .....</b>	<b>5</b>
<b>1.1 Background.....</b>	<b>5</b>
<b>1.2 Purpose .....</b>	<b>5</b>
<b>ARTICLE 2 DEFINITIONS .....</b>	<b>5</b>
<b>ARTICLE 3 ADMINISTRATION.....</b>	<b>10</b>
<b>3.1 Powers of the Board.....</b>	<b>10</b>
<b>3.2 Effects of the Board’s Decision .....</b>	<b>11</b>
<b>3.3 Liability Limitation .....</b>	<b>11</b>
<b>3.4 Delegation and Administration.....</b>	<b>11</b>
<b>3.5 US Taxpayer Rules.....</b>	<b>12</b>
<b>ARTICLE 4 SHARES SUBJECT TO THE PLAN .....</b>	<b>12</b>
<b>4.1 Aggregate Plan Limits.....</b>	<b>12</b>
<b>4.2 Certain Additional Limits .....</b>	<b>12</b>
<b>4.3 Source of Shares .....</b>	<b>13</b>
<b>ARTICLE 5 GENERAL PROVISIONS RELATING TO AWARDS .....</b>	<b>13</b>
<b>5.1 Eligibility .....</b>	<b>13</b>
<b>5.2 Terms of Grant.....</b>	<b>14</b>
<b>5.3 Vesting Conditions .....</b>	<b>15</b>
<b>5.4 Change of Control .....</b>	<b>15</b>
<b>5.5 Substitute Awards .....</b>	<b>15</b>
<b>5.6 Securities Matters.....</b>	<b>16</b>
<b>5.7 Award Agreements .....</b>	<b>16</b>
<b>5.8 Fractional Shares .....</b>	<b>16</b>
<b>ARTICLE 6 STOCK OPTIONS.....</b>	<b>16</b>
<b>6.1 General .....</b>	<b>16</b>
<b>6.2 Vesting Terms .....</b>	<b>16</b>

6.3	Exercise Price .....	16
6.4	Cashless Exercise .....	17
6.5	Loan Arrangement.....	17
6.6	Option Period .....	17
<b>ARTICLE 7 RESTRICTED SHARE UNITS AND PERFORMANCE SHARE UNITS GENERAL .....</b>		<b>18</b>
7.1	Grants .....	18
7.2	Vesting Terms .....	18
7.3	Settlement .....	18
7.4	Deferred Settlement Date.....	19
7.5	Dividend Equivalents .....	19
7.6	Restrictions re: Persons Conducting Investor Relations Activities .....	19
7.7	No Other Benefit .....	19
<b>ARTICLE 8 CONSEQUENCES OF TERMINATION .....</b>		<b>20</b>
8.1	General Provisions .....	20
8.2	Discretion of the Board.....	21
<b>ARTICLE 9 TRANSFERABILITY .....</b>		<b>21</b>
9.1	Transfer Restrictions.....	21
9.2	Permitted Transfers.....	21
<b>ARTICLE 10 ADJUSTMENT .....</b>		<b>22</b>
10.1	No Restrictions on Action .....	22
10.2	Recapitalization Adjustment.....	22
<b>ARTICLE 11 AMENDMENT AND TERMINATION .....</b>		<b>23</b>
11.1	General .....	23
11.2	Shareholder Approval; Exchange Approval .....	23
<b>ARTICLE 12 REGULATORY APPROVAL .....</b>		<b>24</b>
<b>ARTICLE 13 NO ADDITIONAL RIGHTS .....</b>		<b>24</b>
<b>ARTICLE 14 MISCELLANEOUS PROVISIONS.....</b>		<b>24</b>
14.1	Shareholder Rights.....	24

14.2	Withholding .....	25
14.3	Governing Law.....	25
14.4	Compliance with Laws of Other Jurisdictions.....	25
14.5	Severability.....	25
14.6	Funding .....	25
14.7	No Guarantee of Tax Consequences .....	26
<b>ARTICLE 15 EFFECTIVE DATE AND TERM OF PLAN .....</b>		<b>26</b>
15.1	Effective Date of the Plan.....	26
<b>Article 1 Special Provision Applicable to U.S. Taxpayers .....</b>		<b>27</b>
<b>Article 2 Definitions and Interpretation .....</b>		<b>27</b>
<b>Article 3 General Provisions Relating to Awards .....</b>		<b>28</b>
<b>Article 4 Options .....</b>		<b>29</b>
<b>Article 5 Restricted Share Units and Performance Share Units General.....</b>		<b>30</b>
<b>Article 6 Miscellaneous .....</b>		<b>31</b>
<b>APPENDIX A .....</b>		<b>33</b>

**BASE CARBON INC.  
AMENDED AND RESTATED  
EQUITY INCENTIVE COMPENSATION PLAN**

**With the initial Equity Incentive Compensation Plan adopted by the Board on February 22, 2022 and  
by Shareholders of the Company on February 15, 2022 and this  
Amended and Restated Equity Incentive Compensation Plan Adopted by the Board on May 10, 2024**

**ARTICLE 1  
PURPOSE AND AMENDMENT**

**1.1 Background**

The Company hereby adopts this Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Company with flexibility in designing various equity-based compensation arrangements for, subject to limited exceptions set forth herein, Eligible Participants. Article 15 sets forth the provisions concerning the effective date of the Plan, and its termination.

**1.2 Purpose**

The purpose of this Plan is to advance the interests of the Company by encouraging Eligible Participants to receive equity-based compensation and incentives, thereby (i) increasing the interest in the Company's welfare of those Eligible Participants who share responsibility for the management, growth and protection of the business of the Company, (ii) providing an incentive to Eligible Participants to continue their services for the Company and encouraging such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company are necessary or essential to its success, image, reputation or activities, (iii) rewarding Eligible Participants for their performance of services while working for the Company, and (iv) providing a means through which the Company may attract and retain able Persons.

**ARTICLE 2  
DEFINITIONS**

For purposes of the Plan, the following terms shall have the meaning set forth below:

**"Active Employment"** shall mean the period the Participant is employed by the Company up to and including the date on which the Participant's employment terminates. Notwithstanding the foregoing, the definition of "Active Employment" specifically: (i) includes any period for which the Participant is entitled to receive statutory notice of termination under the *Employment Standards Act, 2000*, as amended from time to time, or other applicable employment legislation (together, the "**ESA**"); and, (ii) unless otherwise agreed to in writing with any Eligible Participant, excludes any other period of non- working notice of termination or any period for which pay in lieu of notice, severance pay or any other monies in relation to the cessation of employment are paid or otherwise required by applicable law, regardless of whether the termination is with or without cause or with or without notice.

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

considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standard.

“**Award**” shall mean, individually or collectively, a grant under the Plan of Options, Restricted Share Units and/or Performance Share Units.

“**Award Agreement**” shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium).

“**Black-out Period**” shall have the meaning ascribed thereto in Section 5.2(e) of the Plan.

“**Board**” shall mean the Board of Directors of the Company.

“**Change of Control**” shall mean any of the following events (and shall be deemed to occur upon any of the following events):

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly- owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act* (Ontario)) to cast or to direct the casting of 20% or more of the votes attached to all of the Company’s outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or
- (f) the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

“**Company**” shall mean Base Carbon Inc.

**“Consultant”** shall mean a Person, other than a Director, Officer or Employee, that:

- (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to any of its Affiliates, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Company or any of its Affiliates and the Person;
- (c) in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its Affiliates; and
- (d) if a U.S. person (as that term is used in the U.S. Securities Act), the Consultant is a natural person and the services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company’s securities.

**“Control”** shall mean, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

**“Deferred Settlement Date”** for a Participant means the date after the Vesting of a Restricted Share Unit or Performance Share Unit, as applicable, which is the earlier of (i) the date to which the Participant has elected to defer settlement of the Restricted Share Units or Performance Share Units, as applicable; and (ii) the Participant’s date of Resignation or Termination.

**“Director”** shall mean an individual who is a member of the Board.

**“Disability”** shall mean an inability to perform the Participant’s material services for the Company for a period of 90 consecutive days or a total of 180 days, during any 365-day period, in either case as a result of incapacity due to mental or physical illness, which is determined to be total and permanent (under the terms of the long term disability policy of the Company applicable to the Employee). A determination of Disability shall be made by a physician satisfactory to both the Participant (or his guardian) and the Company, provided that if the Participant (or his guardian) and the Company do not agree on a physician, the Participant and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be final, binding and conclusive with respect to all parties. Notwithstanding the above, eligibility for disability benefits under any policy for long-term disability benefits provided to the Participant by the Company shall conclusively establish the Participant’s disability.

**“Effective Date”** shall mean the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Board determines an Award shall be made and, unless otherwise specified by the Board, the Effective Date will be the date the Board determines an Award shall be made.

**“Eligible Participants”** means the bona fide Employees, Officers, Consultants and Directors of the Company and its Affiliates.

**“Employee”** means any employee or Officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

**“Exchange”** means Cboe Canada, or any other stock exchange on which the Shares of the Company are listed. For the purposes of this Plan, if the Shares are not listed on any stock



exchange the references to the Exchange or Exchange Policies in this Article 2 shall be to Cboe Canada and the Listing Manual of Cboe Canada, respectively.

**“Exchange Policies”** mean the policies and rules of the Exchange.

**“Exercise Price”** shall mean, with respect to an Option, the price payable by a Participant to purchase one Share on exercise of such Option, which, except in the case of Substitute Awards, shall not be less than 100 percent of the Market Value of a Share on the Effective Date of the grant of the Option covering such Share, subject to adjustment pursuant to Article 10.

**“ITA”** shall mean the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.

**“Market Value”** of a Share as of a relevant date shall mean the fair market value on such date (provided such Market Value shall not be lower than the maximum permitted discount price of the Exchange, if applicable), as determined by the Board in accordance with (a) through (c) below:

- (a) As long as Shares are listed on the Exchange, the closing price of the Shares on the Exchange on the last trading day prior to the relevant date or the VWAP as of the relevant date;
- (b) As to the grant of an Award, the relevant date will be the Effective Date of such grant; and
- (c) If the Shares are not listed on the Exchange at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Board using any fair and reasonable means selected in the Board’s discretion.

**“Officer”** shall mean any officer of the Company.

**“Option”** shall mean an option, granted in accordance with Article 6 hereof, to purchase a Share.

**“Organizational Law”** shall mean the laws of Ontario, Canada or such other law under which a Successor is organized, as such laws may be amended from time to time.

**“Participants”** shall mean those Eligible Participants to whom Awards have been granted from time to time under the Plan and those Persons to whom Substitute Awards have been granted from time to time under the Plan. The executors or administrators of such Participant’s estate, any Person or Persons who acquire the right to exercise an Award directly from the Participant by bequest or inheritance or any other permitted transferee of the Participant under Article 9 hereof shall be treated as a Participant solely for the purposes of exercising and enforcing an Award according to the terms thereof and this Plan.

**“Performance Criteria”** shall mean such financial and/or personal performance criteria as may be determined by the Board, pursuant to Article 7. Performance Criteria may be applied to either the Company as a whole or to a business unit or to a single or group of Affiliates, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group.

**“Performance Share Unit”** shall mean a right, granted in accordance with Article 7 hereof, to receive one Share (or the applicable fraction or multiple of a Share as determined by the Board based on applicable Vesting Criteria) that generally becomes Vested, if at all, subject to the attainment of Performance Criteria and satisfaction of such other conditions to Vesting, if any, as

may be determined by the Board. Settlement of Performance Share Units shall be in Shares.

**“Person”** shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or Exchange Policies, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

**“Plan”** shall mean this Amended and Restated Equity Incentive Compensation Plan, as amended and restated from time to time.

**“Related Person”** shall have the meaning ascribed thereto in the Exchange Policies.

**“Restricted Period”** shall mean the period established by the Board with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.

**“Restricted Share Unit”** shall mean a right, granted in accordance with Article 7 hereof, to receive a Share that generally becomes Vested, if at all, based on the Participant’s period of employment with the Company. Settlement of Restricted Share Units shall be in Shares.

**“Resignation”** shall mean a termination of employment initiated by an Employee or an Officer, as that term is understood at common law, or termination of service of a Director, under circumstances as shall constitute a resignation, as determined by the Board or in accordance with the written policies established by the Board as they may be amended or revised from time to time.

**“Revised Expiry Date”** shall have the meaning ascribed thereto in Section 5.2(e) hereof.

**“RTO Options”** means the options to purchase Shares to be issued by the Company pursuant to the completion of the RTO Transaction for the assumption of, in exchange for, or to replace, on an economically equivalent basis, the then outstanding options to purchase common shares of Base Carbon Corp.

**“RTO Transaction”** means the reverse takeover transaction completed pursuant to the terms of the agreement between the Company and Base Carbon Corp. dated October 25, 2021, as approved by the shareholders of the Company on February 15, 2022.

**“Settlement Date”** shall have the meaning ascribed thereto in Section 7.3 hereof.

**“Shares”** shall mean the common shares in the capital of the Company.

**“Subsidiary”** shall mean a subsidiary as defined in the *Business Corporations Act (Ontario)*.

**“Substitute Awards”** means Awards pursuant to Section 5.5 hereof.

**“Successor”** shall mean, with respect to any Person, a Person that succeeds to the first Person’s assets and liabilities by amalgamation, merger, liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person are transferred.

**“Termination”** (or any derivative thereof) shall mean the date of termination or cessation of the employment or engagement of a Participant’s or the cessation of the Participant’s relationship with the Company. For Employees, this shall mean the termination or cessation of Active Employment with the Company (or Affiliate) that employs the Participant (other than in connection with the Participant’s transfer to employment with any other Company), whether such

termination is lawful or otherwise which shall be as of the date on which such Participant provides notice to or is given notice by the Company or the Affiliate, as the case may be, in writing or verbally, of the date of such termination or cessation of employment or engagement, or if such notice is not provided, then on the last day of work by the Participant which for certainty shall not include any non-working notice period under applicable law (either under statute or common law), but not including a Participant's absence from Active Employment during a period of vacation, temporary illness, authorized leave of absence or short or long-term disability, and, in the case of a Participant who does not return to Active Employment with the Company immediately following a period of absence due to vacation, temporary illness, authorized leave of absence or short or long-term disability, the last day of such period of absence.

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

**"US Taxpayer Rules"** shall mean the rules applicable to Eligible Participants who are taxpayers in the United States of America and who are granted an Award under the Plan as set forth in Schedule A hereto.

**"Vested"** or **"Vesting"** shall mean, with respect to an Award, that the applicable conditions established by the Board or this Plan have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

**"Voting Securities"** shall mean the Shares and/or any other securities (other than debt securities) that carry a voting right to elect Directors either under all circumstances or under some circumstances that have occurred and are continuing.

**"VWAP"** means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable reference date.

**"Withholding Obligation"** shall have the meaning ascribed to in Section 14.2.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 Powers of the Board**

Subject to and consistent with the terms of the Plan, applicable law and Exchange Policies (if applicable), the Board will have the general power to administer the Plan in accordance with its terms (including all powers set out below) and make all determinations required or permitted to be made.

The Board shall have the power to, subject to Section 11.2:

- (a) interpret the Plan and Award Agreements evidencing Awards;
- (b) prescribe, amend and rescind such procedures and policies, and make all determinations, it deems necessary or desirable for the administration and interpretation of the Plan and Award Agreements evidencing Awards;
- (c) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related Award Agreement;

- (d) determine the terms and conditions set out in Award Agreements evidencing Awards granted to any Participant, including, without limitation, and subject always to the Plan (1) subject to Section 4.2, the number of Shares subject to an Award, (2) the Exercise Price for Shares subject to an Award in accordance with the terms of the Plan, if applicable, (3) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or installment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Board, (4) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (5) the consequences of a Termination with respect to an Award, (6) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (7) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
- (e) determine whether and the extent to which any Performance Criteria or other conditions applicable to the Vesting of an Award have been satisfied or shall be waived or modified;
- (f) amend the terms of any Award Agreement evidencing Awards; provided, however, that, subject to Section 5.4, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
- (g) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
- (h) determine whether, and the extent to which, adjustments shall be made pursuant to Article 10 and the terms of any such adjustments.

The Board will also exercise its discretion in good faith in accordance with the Company's intention that the terms of Awards and the modifications or waivers permitted hereby are in compliance with applicable law and, if applicable, the Exchange Policies.

### **3.2 Effects of the Board's Decision**

Any action taken, interpretation or determination made, or any rule or regulation adopted by the Board pursuant to this Plan and subject to and consistent with applicable law and, if applicable, Exchange Policies shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Company, any of its Affiliates, any grantee, holder or beneficiary of an Award, any shareholder and any Eligible Participant.

### **3.3 Liability Limitation**

No member of the Board or any Officer shall be liable for any action or determination made in good faith pursuant to the Plan or any Award Agreement evidencing any Award granted under the Plan.

### **3.4 Delegation and Administration**

- (a) Subject to Section 3.4(b), the Board may not delegate its powers, rights and duties under the Plan, in whole or in part, to any committee, Person or Persons including any such powers, rights or duties: (i) with respect to the establishment or determination of the achievement of Performance Criteria; or (ii) with respect to any matter that would be in violation of any Organizational Law or the Exchange Policies. The Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any

aspect of it, subject to ensuring that the Board does not delegate the powers, rights or duties in (i) or (ii) of the immediately preceding sentence hereof.

- (b) All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board comprised of not less than three Directors that are independent as defined in National Instrument 52-110 – *Audit Committees*, including any compensation committee of the Board.

### **3.5 US Taxpayer Rules**

Participants who are taxpayers in the United States of America are subject to the US Taxpayer Rules. In the event there is a conflict or inconsistency between the US Taxpayer Rules and the other terms and provisions of this Plan, to the extent required to comply with Applicable US Laws (as defined in the US Taxpayer Rules), the US Taxpayer Rules shall govern and supersede the other terms and provisions of this Plan, to the extent of the conflict or inconsistency

## **ARTICLE 4 SHARES SUBJECT TO THE PLAN**

### **4.1 Aggregate Plan Limits**

- (a) The total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed ten percent (10%) of the total aggregate issued and outstanding Shares at the time of grant. For the purposes of computing the foregoing limits:
  - (i) All Options that lapse unexercised will be treated as not having been issued for the purposes of computing the foregoing limitation;
  - (ii) Any Shares withheld or tendered for payment of taxes or any exercise or purchase price in respect of Awards shall not be counted against the limitation above; and
  - (iii) Any Shares that are issuable pursuant to other share compensation arrangements of the Company shall be counted against the limitation above.
- (b) The total number of Shares reserved and available for grant and issuance pursuant to Restricted Share Units and/or Performance Share Units shall not exceed ten percent (10%) of the total aggregate issued and outstanding Shares at the time of grant; provided that, in no event shall the aggregate number of Shares reserved and available for grant and issuance pursuant to all Awards exceed 10% of the total aggregate issued and outstanding Shares at the time of grant.

### **4.2 Certain Additional Limits**

If the Shares are listed on the Exchange (unless not required by the applicable Exchange Policies), the number of Shares reserved for issuance to any one person pursuant to the Plan shall be subject to the following restrictions: unless disinterested shareholder approval as required by the Exchange Policies is obtained, (i) the maximum number of Shares issued to Related Persons (including associates of Related Persons if legally required) within any 12 month period; and (ii) the aggregate number of Shares reserved for issuance to the Related Persons at any time, under this Plan and all other Company security-based compensation arrangements (as determined under the Exchange Policies) shall not exceed 10% of the total aggregate issued and outstanding Shares;

- (a) unless disinterested shareholder approval as required by the Exchange Policies is obtained, the number of Shares issued, or reserved for issuance with respect to Awards, to any one Participant (including associates of the Participant if legally required) within any 12-month period under this Plan and all other Company security-based compensation arrangements (as determined under the Exchange Policies) shall not exceed 5% of the total aggregate issued and outstanding Shares;
- (b) no more than 2% of the total aggregate issued and outstanding Shares at the time of grant may be granted to any one Consultant in any 12 month period, and further, the aggregate number of Shares reserved for issuance with respect to Awards to all technical Consultants shall not exceed 2% of the total aggregate issued and outstanding Shares; and
- (c) no more than an aggregate of 2% of the total aggregate issued and outstanding Shares at the time of grant may be granted to all persons engaged to conduct investor relations activities in any 12 month period, and Shares reserved for issuance to such persons must vest over a period of not less than 12 months with no more than one-quarter ( $\frac{1}{4}$ ) of the Shares vesting in any three-month period.

Appropriate adjustments shall be made as set forth in under Article 10 hereof in both the number of Shares covered by individual grants and the total number of Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Company.

For the purposes of determining compliance with the above restrictions, the Board will take into account Shares reserved or issued pursuant to options together with Shares reserved or issued pursuant to all of the Company's security-based compensation arrangements to the extent required by applicable law and applicable Exchange Policies.

#### **4.3 Source of Shares**

Except as expressly provided in the Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards will be issued from the treasury of the Company. The Board shall take such action as may be necessary to authorize and reserve for issuance from unissued Shares such number of Shares as may be necessary to permit the Company to meet its obligations under the Plan.

### **ARTICLE 5 GENERAL PROVISIONS RELATING TO AWARDS**

#### **5.1 Eligibility**

- (a) Subject to Sections 5.5 and 7.6, Awards will be granted only to those Persons who are, at the time of the grant, bona fide Eligible Participants. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that such Participant not benefit personally from an Award, the Board may grant any Award to which such Person would otherwise be entitled to the Person's employer or other entity designated by them that directly or indirectly imposes such requirement on the Person. The Board shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) Subject to Sections 5.5 and 7.6, each of the Company and the person to which any Awards are proposed to be granted to are responsible for ensuring that such person is a bona fide Eligible Participant.

## 5.2 Terms of Grant

Subject to the other express terms of this Plan, grants of Awards under the Plan shall contain such terms and conditions as the Board may specify. Without limiting the foregoing,

- (a) each Award granted under the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the Plan as the Board may determine. Each Award Agreement shall set forth, at a minimum, the Exercise Price, as applicable, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Award and the applicable Vesting conditions. References in the Plan to an Award Agreement shall include the US Taxpayer Rules, as applicable, and any supplements or amendments thereto;
- (b) each Award granted under the Plan shall be, unless otherwise determined by the Board, an Award pursuant to which, the Exercise Price is stated and payable in Canadian dollars or the basis upon which it is to be settled is stated in Canadian dollars;
- (c) unless prohibited by applicable law or Exchange Policies, Awards may be made to a Participant without regard to such Participant's domicile or residence for tax purposes;
- (d) subject to Section 7.3, the term or Restricted Period of each Award that is an Option or Restricted Share Unit shall be for such period as may be determined by the Board; provided, however, that in no event shall the term of such Award exceed a period of ten years (or such shorter terms as may be required in respect of an Award as may be required by the Organizational Law or Exchange Policies to the extent that they are applicable to such Award); notwithstanding the foregoing provisions of this Section 5.2, unless otherwise determined by the Board, or as otherwise provided in the Plan (e.g. Section 7.3), if any Award is scheduled to be settled or the term of any Award granted hereunder is scheduled to expire: (i) at a time when the holder of the Award is subject to restrictions on trading of securities of the Company under a trading "blackout" established by the Company (pursuant to the disclosure policy of the Company then in effect or otherwise) or pursuant to any lock-up agreement or other similar trading restriction (a "**Black-out Period**"), the Award shall be settled or the term of the Award, as applicable, will, notwithstanding the scheduled expiry date of the term of such Award, expire or settle as of the date that is 10 business days following the end of the applicable Black-out Period (the "**Revised Expiry Date**") and shall continue to be exercisable, convertible or otherwise remain outstanding for the benefit of the holder, as applicable, at any time up to the applicable time on the Revised Expiry Date. For the avoidance of doubt, should the Revised Expiry Date fall during a subsequent Black-out Period or fall within 10 Business following the end of a subsequent Black-out Period, the Award shall be settled or the term of the Award, as applicable, will, notwithstanding the scheduled expiry date of the term of such Award, expire or settle as of the date that is 10 business days following the end of such subsequent Black-out Period;
- (e) the terms, conditions and/or restrictions contained in an Award may differ from the terms, conditions and restrictions contained in any other Awards; and
- (f) the Board may specify such other terms and conditions, consistent with the terms of the Plan, as the Board shall determine or as shall be required under any other provision of the Plan.

Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of Termination or Resignation by the Participant and provisions permitting a Participant to make elections relating to his or her Award.

### **5.3 Vesting Conditions**

Subject to the terms of the Plan and further to Section 5.2(a), the Board shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable Award Agreement on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment or status as an Eligible Participant, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Board. Notwithstanding the foregoing, if the Shares are listed on the Exchange, no Award, other than an Option, may vest before the date that is one year following the date such Award is granted or issued, but subject to the accelerated vesting conditions under Sections 5.4 and 8.1.

### **5.4 Change of Control**

Unless otherwise provided in the Award or by direction of the Board as to all or any type of Awards, in the event of an actual or potential Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Board may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including the following:

- (a) the Board may, in its sole discretion, accelerate Vesting and the expiration or termination date of Options then outstanding to a specified date fixed by the Board. After any accelerated expiration or termination date so specified, all unexercised Options and all rights of Participants thereunder shall terminate. The Board may also accelerate Vesting and the time at which Options may be exercised so that those types of Awards may be exercised in full for their then remaining term; and
- (b) the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below and with respect to any applicable Deferred Settlement Dates), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control or to participate in an exchange of options; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

### **5.5 Substitute Awards**

- (a) Subject to Section 5.5(b), the Board may, in its discretion, grant Awards (including to Persons not considered to be Eligible Participants) under the Plan:
  - (i) in substitution or exchange for, any other Award or any award granted under another plan of the Company, or any Affiliate;
  - (ii) in assumption, substitution or exchange for, outstanding equity awards previously granted by a company or other entity acquired by the Company, or any Affiliate, or with which the Company, or any Affiliate, combines in connection with a corporate transaction, which shall include, but not be limited to, the RTO Options; or



- (iii) in substitution or exchange for any other right of a Participant to receive payment from the Company or any Affiliate.

Such substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall require the surrender of such other Award for cancellation and such surrendered Award shall no longer be treated as being outstanding for the purposes of determining the aggregate plan limitations under Section 4.1. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Affiliate. Notwithstanding the foregoing, no Option may be granted in substitution or in exchange for Restricted Share Units.

## **5.6 Securities Matters**

No Shares will be issued or transferred pursuant to an Award unless and until all then- applicable requirements imposed by applicable securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction and, if applicable, by the Exchange, have been fully met. As a condition precedent to the issuance of Shares pursuant to the grant or exercise of an Award, the Company may require the grantee to take any reasonable action to meet such requirements. The Company shall not be obligated to take any affirmative action in order to cause the issuance or transfer of Shares pursuant to an Award to comply with any law or regulation, however.

## **5.7 Award Agreements**

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan.

## **5.8 Fractional Shares**

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Board determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

# **ARTICLE 6 STOCK OPTIONS**

## **6.1 General**

The Board may from time to time grant one or more Options to Participants on such terms and conditions, consistent with the Plan, as the Board shall determine. The Award Agreement evidencing an Option shall specify the Exercise Price for each Share subject to such Option and the maximum term of such Option.

## **6.2 Vesting Terms**

Options granted under the Plan shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5.3 hereof (including satisfaction of Performance Criteria and/or continued employment) as may be determined by the Board and set forth in the applicable Award Agreement.

## **6.3 Exercise Price**

The Exercise Price for each Share subject to an Option, except in the case of Substitute Awards,

shall not be less than the Market Value of a Share on the Effective Date of the Award of such Option. The Exercise Price shall be stated and payable in Canadian dollars. Exercise of Vested Options

- (a) Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Board shall in each instance approve, which need not be the same for each grant or for each Participant.
- (b) As soon as practicable after receipt of a notification of exercise, full payment of the Exercise Price or election of a cashless exercise in accordance with Section 6.5 and compliance with Section 14.2, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment or net exercise in accordance with Section 6.5, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

#### **6.4 Cashless Exercise**

Upon vesting of an Option, a Participant, excluding any Participants who are persons engaged to conduct investor relations activities, may elect to surrender all or part of the Option to the Company in consideration of a payment of the Exercise Price in only the number of Shares that is the equal to the quotient obtained by dividing:

- (a) the product of the number of Options being exercised multiplied by the difference between the VWAP of the Shares on the date of exercise and the Exercise Price; by
- (b) the VWAP of the Shares on the date of exercise,

and, where the Participant is subject to the ITA in respect of the Option, the Company shall make the election provided for in subsection 110(1.1) of the ITA.

Pursuant to Section 14.2 and for greater certainty, the number of Shares determined by the above formula may be reduced by the Company's Withholding Obligation.

#### **6.5 Loan Arrangement**

A Participant is permitted to arrange for a loan with a brokerage firm pursuant to which the Company has a relationship, whereby such brokerage firm will be permitted to loan the Exercise Price to a Participant to purchase the Shares underlying the Options and then such brokerage firm may sell a sufficient number of Shares received by the Participant through the exercise of such Options to cover the amount of the loan made by the brokerage firm to the Participant. The Participant then shall receive the balance of Shares or the cash proceeds from the balance of such Shares.

#### **6.6 Option Period**

Unless the Board provides for a shorter option period at or after the Effective Date of an Award of Options and subject to Article 8 hereof, all or any part of the Options covered by an Award shall,

to the extent Vested, be exercisable, from time to time, within the period commencing on the date such Option or part thereof becomes Vested and ending on the last day of the term of such Award.

## **ARTICLE 7 RESTRICTED SHARE UNITS AND PERFORMANCE SHARE UNITS GENERAL**

### **7.1 Grants**

The Board may from time to time grant one or more Awards of Restricted Share Units and/or Performance Share Units to Participants on such terms and conditions, consistent with the Plan, as the Board shall determine.

### **7.2 Vesting Terms**

Restricted Share Units and/or Performance Share Units shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5.3 hereof as may be determined by the Board and set forth in the applicable Award Agreement, provided that the conditions to Vesting of Restricted Share Units shall be based on the passage of time and/or the Participant continuing to be an Eligible Participant, without regard to the satisfaction of any Performance Criteria and the conditions to Vesting of Performance Share Units shall be based on the satisfaction of Performance Criteria either alone or in addition to any other Vesting conditions as may be determined by the Board consistent with Section 5.3 hereof.

### **7.3 Settlement**

The Restricted Share Units and Performance Share Units shall be settled in Shares on the date of Vesting thereof, unless a Deferred Settlement Date has been elected, in which case such Restricted Share Units or Performance Share Units, as applicable, shall be settled on the applicable Deferred Settlement Date, (the “**Settlement Date**”) and subject in each case to payment or other satisfaction of all related Withholding Obligations in accordance with the provisions of this Plan. Notwithstanding the foregoing, unless otherwise determined by the Board, or as otherwise provided in the Plan, if the Settlement Date of any Restricted Share Unit and/or Performance Share Unit granted hereunder is to occur during a Black-out Period, the Settlement Date of the Restricted Share Unit and/or Performance Share Unit will be settled as of the date that is 10 business days following the end of the applicable Black-out Period.

Upon any issuance of Shares in settlement of any Restricted Share Units or Performance Share Units granted under this Article 7, the particular Restricted Share Units or Performance Share Units in respect of which such settlement was made shall be cancelled and no further issuance of Shares shall be made in relation to such Restricted Share Units or Performance Share Units. Pursuant to Section 14.2 and for greater certainty, the number of Shares to be issued by the Company to settle any Restricted Share Units or Performance Share Units may be reduced by the Company’s Withholding Obligation.

The Shares issued in respect of the settlement of the Restricted Share Units or Performance Share Units shall be issued as fully-paid and non-assessable common shares of the Company. As of the Settlement Date, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Restricted Share Units or Performance Share Units were settled and to receive a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares they are entitled to receive pursuant to the settlement of the Restricted Share Units or Performance Share Units.

#### **7.4 Deferred Settlement Date**

- (a) A Participant may elect to defer the receipt of all or any part of such Participant's entitlement to Shares upon the Vesting of Restricted Share Units or Performance Share Units until one or more Deferred Settlement Dates.
- (b) A Participant who elects to set a Deferred Settlement Date must give the Company written notice of the Deferred Settlement Date(s) not later than 60 days prior to the expiration of the applicable Vesting. For certainty, Participants shall not be permitted to give any such notice after the day which is 60 days prior to the expiration of the Vesting and a notice once given may not be changed or revoked.

#### **7.5 Dividend Equivalents**

The terms of an Award of Restricted Share Units or Performance Share Units may include provision for the accrual of dividend equivalent amounts with respect to cash dividends paid in the ordinary course to shareholders in respect of outstanding Shares. If the Board determines that dividend equivalent amounts will be accrued in respect of Restricted Share Units or Performance Share Units subject to an Award, if and when cash dividends are paid with respect to Shares (other than any extraordinary dividend) to shareholders of record as of a record date occurring during the period from the Effective Date of the applicable Award to the date of settlement thereof, a number of additional Restricted Share Units or Performance Share Units, as the case may be, shall be granted to the holder of such Award equal to the greatest number of whole Shares having a Market Value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Share multiplied by (ii) the number of Restricted Share Units or Performance Share Units subject to such Award as of the record date for the dividend. The additional Restricted Share Units or Performance Share Units granted to a Participant shall be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding Restricted Share Units or Performance Share Units, as the case may be.

#### **7.6 Restrictions re: Persons Conducting Investor Relations Activities**

Unless otherwise permitted pursuant to applicable law and Exchange Policies, no Restricted Share Units and/or Performance Share Units may be granted to persons engaged to conduct investor relations activities and such persons may only be granted Options under the Plan.

#### **7.7 No Other Benefit**

- (a) No amount will be paid to, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.
- (b) The Company makes no representations or warranties to Participants with respect to the Plan or any Awards whatsoever. Participants are expressly advised that the value of any Awards in the Plan will fluctuate as the trading price of Shares fluctuates. Participants are further expressly advised that the amount of dividends that may be paid in respect of Shares, if any, will vary.

- (c) In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of Awards.

## **ARTICLE 8 CONSEQUENCES OF TERMINATION**

### **8.1 General Provisions**

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Awards following Termination of the Participant's employment or other relationship with the Company or its Affiliates, as applicable. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for Termination, provided that provisions shall comply with applicable rules of the Exchange.

Subject to Section 8.2, if the terms of the Award, the Plan or any resolution of such Board does not specify the effect of a Termination, cessation or Resignation of the Participant, then the following default rules will apply:

- (a) if employment of an Employee, Officer or service of a Director is Terminated for any reason whatsoever other than death, Disability or for cause (in the opinion of the Company's legal counsel), or if service of a Consultant is Terminated for any reason whatsoever other than death: (A) all unvested Options as of such termination date shall remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period expiring on the earlier of: (i) the end of the notice period contained within the applicable notice of Termination; and (ii) 12 months after the Termination date provided in the applicable notice of Termination. In no event will the Employee, Officer or Director's entitlements under the Plan terminate prior to the conclusion of the notice period required by the ESA, if any and provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination date provided in the applicable notice of Termination shall automatically and immediately expire and be forfeited on such date; and (B) all Restricted Share Units and Performance Share Units shall automatically and immediately vest.
- (b) if the employment of a Participant is Terminated by reason of Resignation: the Board shall have the discretion, with respect to such Participant's Awards, to determine: (i) whether to accelerate vesting of any or all of such Awards, (ii) whether any of such Awards shall be cancelled, with or without payment, and (iii) how long, if at all, such Awards may remain outstanding following such Termination; provided, however, that any Options that have not been exercised (whether vested or not) within 12 months after the Termination date shall automatically and immediately expire and be forfeited on such date.
- (c) upon Termination of employment or service from the Company as a result of Disability of an Employee, Officer or Director or death of an Employee, Officer, Director or Consultant, or with respect to a Participant who is either a retired former Employee, Officer or Director who dies, any non-vested portion of any outstanding Award remain and continue to vest in accordance with the terms of the Plan, provided that any Options that have not vested within 12 months after such Person's Termination of employment by reason of Disability or death shall automatically and immediately expire and be forfeited on such date.
- (d) if employment of an Employee or Officer or service of a Director is Terminated for just cause at common law, any Award (vested or not) granted pursuant to the Plan

outstanding at the time of such Termination and all rights thereunder shall wholly and completely terminate automatically and be immediately forfeited upon the date of the applicable notice of Termination.

## **8.2 Discretion of the Board**

Notwithstanding any other provision hereof and without limiting the discretion of the Board, the Board may (whether by terms of the Award or by its election notwithstanding the terms of an Award):

- (a) with the exception of non-Vested Options granted to all persons engaged to conduct investor relations activities, allow non-Vested Awards to be treated as Vested upon Termination of employment or service of a Participant, as to any or all of Termination, death or Disability;
- (b) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, exercise, continuation or other terms than other classes, types or groups of Participants. Without limiting the foregoing, but rather as an example of the foregoing, Awards to Directors may specify that they will become Vested in full upon Resignation, death, Disability or other change of status even though Awards to Employees do not provide for such acceleration;
- (c) subject to Section 7.3 and the applicable Exchange Policies, provide that Vested Awards may be exercised for periods (of up to one (1) year if the Shares are listed on the Exchange) longer or different from those set forth in Section 8.1 but in no event shall the Board provide that Vested Awards may be exercised beyond such Vested Award's original expiry date; or
- (d) set any other terms for the exercise or termination of Awards upon Termination of employment, relationship or service.

## **ARTICLE 9 TRANSFERABILITY**

### **9.1 Transfer Restrictions**

Except as provided in Section 9.2, no Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession or to a revocable trust. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant's debts, judgments, alimony or separate maintenance.

### **9.2 Permitted Transfers**

Notwithstanding the foregoing, provided Exchange approval is obtained (if applicable), the Board may provide in the applicable Award Agreement or by resolution that an Award (other than an Option) is transferable or assignable (i) in the case of a transfer without the payment of any consideration, to the Participant's spouse, former spouse, children, stepchildren, grandchildren, parent, stepparent, grandparent, sibling, Persons having one of the foregoing types of relationship with a Participant due to adoption and any entity in which these Persons (or the Participant) own more than fifty percent of the voting interests and (ii) to an entity in which more than fifty percent of the voting interests are owned by these Persons (or the Participant) in exchange for an interest in that entity. Following any such transfer or assignment, the Award shall

remain subject to substantially the same terms applicable to the Award while held by the Participant to whom it was granted, as modified as the Board shall determine appropriate, and, as a condition to such transfer, the transferee shall execute an agreement agreeing to be bound by such terms.

## **ARTICLE 10 ADJUSTMENT**

### **10.1 No Restrictions on Action**

The existence of the Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Company, (ii) any merger, consolidation, amalgamation or change in ownership of the Company, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of the Shares or affecting the capital of the Company or the rights holders of Shares in respect thereof, (iv) any dissolution or liquidation of the Company, (v) any sale or transfer of all or any part of the assets or business of the Company or (vi) any other corporate act or proceeding with respect to the Company. No Participant or any other Person shall have any claim against any member of the Board of Directors or the Board, or the Company or any employees, officers or agents of the Company as a result of any such action.

### **10.2 Recapitalization Adjustment**

- (a) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Company payable in Shares or other securities of the Company, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Company out of the ordinary course of business, then, the Board shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the Exercise Price applicable under any outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Board determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.
- (b) In the case of any such adjustment as provided for in this Section 10.2, the Exercise Price shall be adjusted appropriately to reflect such adjustment. No adjustment provided for in this Section 10.2 shall require the Company to issue a fractional Share and the total adjustment with respect to each outstanding Award shall be limited accordingly.

**ARTICLE 11**  
**AMENDMENT AND TERMINATION**

**11.1 General**

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with Section 11.2 and any applicable law, including the Exchange Policies (if applicable), the Board may also, at any time, amend or revise the terms of the Plan and any Award. No such amendment of the Plan or Award may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

**11.2 Shareholder Approval; Exchange Approval**

- (a) To the extent required by applicable law or by the Exchange Policies (if applicable), shareholder approval or disinterested shareholder approval (as required by the Exchange Policies) and Exchange Approval, as applicable, will be required for the following types of amendments:
- (i) any amendment which reduces the exercise price or purchase price of an Award, except for purposes of maintaining an Awards value in the case of adjustment or a Change of Control in accordance with the Plan;
  - (ii) any amendment which reduces the exercise price or purchase price of an Option, if the holder of such Options is a Related Person at the time of such amendment, in which case disinterested shareholder approval as required by the Exchange Policies must be obtained;
  - (iii) any amendment that would result in the cancellation of an Option in exchange for an Option with a lower Exercise Price from that of the original Option or another Award or cash payment except in the case of adjustment or a Change of Control in accordance with the Plan;
  - (iv) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the Plan;
  - (v) any amendment extending eligibility to participate in the Plan to persons other than Officers, Employees, Directors or Consultants or increasing the annual limit on Awards;
  - (vi) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan; any amendment increasing the maximum aggregate number of Shares that may be subject to issuance at any given time in connection with Awards granted under the Plan, subject to adjustments contemplated in this Plan;
  - (vii) any amendment to these amendment provisions; and
  - (viii) any other amendment required to be approved by shareholders under applicable law or Exchange Policies.
- (b) For the avoidance of doubt, the Board may, subject to receipt of requisite regulatory



approval (including any applicable Exchange approval), where required, in its sole discretion, make all other amendments to this Plan, that are not of the type contemplated in Section 11.2(a) above, including, without limitation:

- (i) amendments of a housekeeping nature;
  - (ii) the addition of or a change to vesting provisions of an Award or the Plan; and
  - (iii) a change to the Termination provisions of an Award or the Plan which does not entail an extension beyond the original expiry date.
- (c) Notwithstanding the provisions of Section 11.2(b), the Company shall additionally obtain shareholder approval in respect of amendments to this Plan that are contemplated pursuant to Section 11.2(b) to the extent such approval is required by the Exchange or any applicable laws or regulations.

## **ARTICLE 12 REGULATORY APPROVAL**

Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the Plan, unless and until the Company is advised by its legal counsel that the issuance and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. The Company shall in no event be obligated to take any action in order to cause the issuance or delivery of Shares or such certificates to comply with any such laws, regulations, rules, orders or requirements. The Board may require, as a condition of the issuance and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under Article 8 hereof or, after his or her death, the Participant's estate, as described in Article 8 hereof, make such covenants, agreements and representations as the Board deems necessary or desirable.

## **ARTICLE 13 NO ADDITIONAL RIGHTS**

No Person shall have any claim or right to be granted Awards under the Plan, and the grant of any Awards under the Plan shall not be construed as giving a Participant any right to continue in the employment of the Company or affect the right of the Company to Terminate the employment of a Participant. Unless otherwise determined by the Board, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the Plan.

## **ARTICLE 14 MISCELLANEOUS PROVISIONS**

### **14.1 Shareholder Rights**

A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends (though this shall not limit the accruals pursuant to Section 7.5) or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as a result of the exercise of an Option or the settlement of a Restricted Share Unit or a Performance Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Company by virtue of such

exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such share certificate is issued, other than adjustments for dividend equivalent amounts to the extent provided under Article 7 hereof.

#### **14.2 Withholding**

The Company or any Affiliate may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied (“**Withholding Obligation**”). Subject to the other provisions of the Plan, the Company shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining any Shares that would otherwise be issuable on the settlement on an Award and selling them on the Participant’s behalf through a broker-assisted sale, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Company may require a Participant, as a condition to exercise of an Option, a Share issuance hereunder or the settlement of a Restricted Share Unit or a Performance Share Unit, to pay to the Company any amounts as are necessary for the Company to comply with its withholding obligations for any such withholding or other required deduction amounts related to the exercise of Options, a Share issuance hereunder or settlement of Restricted Share Units or Performance Share Units.

#### **14.3 Governing Law**

The Plan, all Award Agreement evidencing Awards granted hereunder and any other agreements or other documents relating to the Plan shall be interpreted and construed in accordance with the Organizational Law, except to the extent the terms of the Plan, any supplement to the Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Board may provide that any dispute as to any Award shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any reference in the Plan, in any Award Agreement evidencing Awards granted hereunder or in any other agreement or document relating to the Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

#### **14.4 Compliance with Laws of Other Jurisdictions**

Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada on such terms and conditions different from those under the Plan as may be determined by the Board to be necessary or advisable to achieve the purposes of the Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.

#### **14.5 Severability**

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

#### **14.6 Funding**

Except as would not result in adverse tax consequences to a Participant, no provision of the Plan

shall require or permit the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Employees, Officers, Consultants or Directors under applicable law.

**14.7 No Guarantee of Tax Consequences**

Neither the Board nor the Company makes any commitment or guarantee that any specific tax treatment will apply or be available to pay Person participating or eligible to participate hereunder.

**ARTICLE 15  
EFFECTIVE DATE AND TERM OF PLAN**

**15.1 Effective Date of the Plan**

The original version of the Plan became effective upon approval by the Board on February 22, 2022. The Plan was amended and restated and approved by the Board on May 10, 2024.

**SCHEDULE A**  
**BASE CARBON INC.**  
**AMENDED AND RESTATED**  
**EQUITY INCENTIVE COMPENSATION PLAN**

**US TAXPAYER RULES**

**ARTICLE 1**  
**SPECIAL PROVISION APPLICABLE TO U.S. TAXPAYERS**

**1.1 Eligibility**

The Company maintains the Plan for the benefit of Eligible Participants of the Company and its Affiliates. Section 3.5 of the Plan authorizes the Board to establish rules or procedures to allow for the participation in the Plan of Eligible Participants who are United States taxpayers.

**1.2 US Taxpayer Rules**

The purpose of the US Taxpayer Rules (the "**Rules**") is to establish certain rules and limitations applicable to Awards that may be granted or issued under the Plan from time to time, in compliance with the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder (the "**Code**") and other applicable United States federal, state and local laws. Notwithstanding anything to the contrary contained in the Plan, these Rules shall apply to all Awards granted under the Plan to an Eligible Participant whose Awards granted under the Plan are subject to taxation under the Code (each, a "**U.S. Participant**").

**1.3 Rules Govern**

In the event of any inconsistency between the Plan and the Rules (including any inconsistency in defined terms), to the extent required to comply with Applicable US Laws, the Rules shall control.

**ARTICLE 2**  
**DEFINITIONS AND INTERPRETATION**

**2.1 Definitions**

Capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Plan. Notwithstanding anything to the contrary in the Plan, for purposes of the Rules, the following terms will have the meanings specified below:

- (a) "**Applicable US Laws**" means the requirements relating to the administration of equity incentive plans under United States federal and state securities, tax and other applicable laws, rules and regulations.
- (b) "**Change of Control**" shall have the meaning ascribed to it in the Plan; *provided* that, solely with respect to an award that constitutes deferred compensation subject to Section 409A of the Code, an event shall not be deemed a Change of Control unless such event constitutes a "change in control event" under Section 409A of the Code and any guidance promulgated thereunder.
- (c) "**Disability**" means, solely with respect to an award that constitutes deferred compensation subject to Section 409A of the Code, a "disability" as defined under Section 409A of the Code.

- (d) **“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (e) **“Incentive Stock Option”** means any Option awarded under the Rules to the extent that it is an “incentive stock option” as defined in Section 422 of the Code.
- (f) **“Market Value”** means, as of any date, the value of the Company's Shares determined as follows: (i) as long as the Shares are listed on the Exchange, the closing price of the Shares on the Exchange on the last trading day prior to the relevant date; or (ii) if the Shares are not listed on the Exchange at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Board using any fair and reasonable means selected in the Board's discretion. Notwithstanding any provision herein to the contrary, with respect to Non-qualified Stock Options, the Market Value of the Shares shall be determined in a manner that satisfies the applicable requirements of Section 409A of the Code, and with respect to Incentive Stock Options, such Market Value shall be determined in a manner that satisfies the applicable requirements of Section 422 of the Code, and subject to Section 422(c)(7) of the Code.
- (g) **“Non-qualified Stock Option”** means any Option awarded under the Rules to the extent that it is not intended to be, or does not otherwise qualify as, an Incentive Stock Option.
- (h) **“Parent”** means any parent corporation of the Company within the meaning of Section 424(e) of the Code.
- (i) **“Subsidiary”** means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.
- (j) **“Termination”** shall have the meaning ascribed to it in the Plan; *provided* that to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, a Participant shall not be considered to have terminated employment with the Company for purposes of the Plan unless the Participant would be considered to have incurred a “separation from service” (as defined in Section 409A of the Code and the regulations promulgated thereunder) from the Company.

## **2.2 Interpretation**

The terms of the Rules shall be interpreted in accordance with all Applicable US Laws, including, without limitation, the applicable provisions of the Code, the U.S. Securities Act and the Exchange Act.

## **2.3 Governing Law**

The provisions of the Rules and all Awards granted under the Rules shall be governed by and interpreted in accordance with the Organizational Law without regard to the conflict of law provisions thereof.

### **ARTICLE 3 GENERAL PROVISIONS RELATING TO AWARDS**

Notwithstanding anything in the Plan to the contrary, the settlement or the term of an Award will only be extended in accordance with Section 5.2 of the Plan if such extension would not violate Section 409A of the Code.

## ARTICLE 4 OPTIONS

### 4.1 General

Notwithstanding anything in the Plan to the contrary, the terms and conditions of this Article 4 of the Rules shall apply to any Options granted to U.S. Participants.

### 4.2 Grant of Options

Pursuant to the terms of the Rules, the Board may grant Options, including Incentive Stock Options and Non-qualified Stock Options, to any Eligible Participants, subject to the limitations on Incentive Stock Options described below. Eligibility for the grant of an Option and actual participation in these Rules and the Plan shall be determined by the Board in its sole discretion.

### 4.3 Incentive Stock Options

The Board may grant Options intended to qualify as Incentive Stock Options only to Employees. The aggregate number of Shares that may be issued under all Incentive Stock Options granted under the Plan will not exceed 11,713,766. All Options intended to qualify as Incentive Stock Options shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Neither the Company nor the Board shall have any liability to a U.S. Participant, or any other party, if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option for any reason. Any Option that is intended to qualify as an Incentive Stock Option, but fails to so qualify for any reason, including without limitation, the portion of any Option becoming exercisable in excess of the \$100,000 limitation described in U.S. Treasury Regulation Section 1.422-4, shall be treated as a Non-qualified Stock Option for all purposes of the Rules.

### 4.4 Exercise Price

The Exercise Price of each Option shall be not less than the Market Value on the Effective Date; *provided*, that if the Board approves the grant of an Option on a future date with an Exercise Price to be determined on such future date, the Exercise Price shall be not less than the Market Value on such future grant date. In the case of an Incentive Stock Option granted to an Employee who, at the Effective Date, owns (or is treated as owning under Section 424 of the Code) shares in the capital of the Company representing more than 10% of the voting power of all classes of shares in the capital of the Company (or a Parent or Subsidiary thereof) (such Employee, a "**Greater Than 10% Shareholder**"), the per Share Exercise Price shall be no less than 110% of the Market Value on the Effective Date.

### 4.5 Duration of Incentive Stock Options

Notwithstanding anything to the contrary in the Plan, in the case of an Incentive Stock Option granted to a Greater Than 10% Shareholder, the Option shall not be exercisable after the 5-year anniversary of the Effective Date.

### 4.6 Notification of Disposition

The U.S. Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares acquired from any Incentive Stock Option if such disposition or transfer is made (a) within two (2) years from the Effective Date with respect to such Shares, or (b) within one (1) year after the transfer of such Shares to the U.S. Participant (other than any such disposition made in connection with a Change of Control). Such notice shall specify the date of such disposition or other transfer and the amount realized by the U.S. Participant in such disposition or other transfer.

#### **4.7 Cashless Exercise**

Notwithstanding anything to the contrary in the Plan, upon vesting of an Option, a Participant, excluding any Participants who are persons engaged to conduct investor relations activities, may elect to surrender all or part of the Option to the Company in consideration of a payment of the Exercise Price in only the number of Shares that is the equal to the quotient obtained by dividing:

- (a) the product of the number of Options being exercised multiplied by the difference between the Market Value of the Shares on the date of exercise and the Exercise Price; by
- (b) the Market Value of the Shares on the date of exercise,

and, where the Participant is subject to the ITA in respect of the Option, the Company shall make the election provided for in subsection 110(1.1) of the ITA.

Pursuant to Section 14.2 of the Plan and for greater certainty, the number of Shares determined by the above formula may be reduced by the Company's Withholding Obligation.

#### **4.8 Effect of Termination**

Notwithstanding anything to the contrary in the Plan, this Section 4.8 of the Rules shall apply to Incentive Stock Options granted under the Rules. If a U.S. Participant exercises Options after the maximum post-termination exercise period provided within the Code relating to "incentive stock options" (to the extent permitted under Section 8.1 of the Plan), such option will not qualify as an Incentive Stock Option and will be treated as a Non-qualified Stock Option.

#### **4.9 Post-Termination Limits**

If the exercise of an Option following the date of a U.S. Participant's Termination would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the U.S. Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the exercise period of the Option or (ii) the expiration of a period of 3 months after the date of Termination during which the exercise of the Option would not be in violation of such registration requirements.

#### **4.10 Limits on Transfer**

No Option shall be transferred unless permitted by Section 9.2 of the Plan.

#### **4.11 Termination of Plan**

No Option shall be granted under the Plan after the 10-year anniversary of the earlier of (i) the date on which the Board adopted the Plan, and (ii) the date on which the shareholders of the Company approved the Plan.

### **ARTICLE 5 RESTRICTED SHARE UNITS AND PERFORMANCE SHARE UNITS GENERAL**

Notwithstanding anything to the contrary in the Plan, a U.S. Participant may only elect to defer the receipt of all or any part of such Participant's entitlement to Shares upon the Vesting of Restricted Share Units or Performance Share Units until one or more Deferred Settlement Dates if such deferral is made in accordance with Section 409A of the Code and the regulations promulgated thereunder.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Adjustments**

In connection with the occurrence of any event described in Section 10.2(a) of the Plan (a “**Recapitalization Adjustment**”), the Board will equitably and proportionally adjust each outstanding Award, which adjustments may include proportional adjustments to the number and type of securities subject to each outstanding Award and/or the Exercise Price thereof, if applicable, the grant of new Awards to U.S. Participants, and/or the making of a cash payment to U.S. Participants, as the Board deems appropriate to reflect such Recapitalization Adjustment, provided any such action complies with Section 409A and 424 of the Code and the regulations promulgated thereunder. The proportional adjustments provided under this Section 6.1 of the Rules shall be nondiscretionary and shall be final and binding on the affected U.S. Participant and the Company; *provided* that whether an adjustment is equitable shall be determined by the Board.

### **6.2 Amendment of Rules**

The Board may amend or terminate the Rules in accordance with the applicable provisions of Article 11 of the Plan, *provided*, that the Board shall obtain shareholder approval of any amendment to the Rules to the extent necessary and desirable to comply with Applicable US Law as determined by the Board. Notwithstanding any other provisions of the Plan or the Rules to the contrary, (a) the Board may amend the Plan, the Rules or any Award without the consent of the applicable participant if the Board determines that such amendment is required or advisable for the Company, the Plan, the Rules or any Award to satisfy, comply with or meet the requirements of any Applicable US Law or accounting standard, and (b) neither the Company nor the Board shall take any action pursuant to Article 6 of the Rules or Article 11 of the Plan, or otherwise, that would cause an Award that is otherwise exempt under Section 409A of the Code to become subject to or fail to satisfy the requirements of Section 409A of the Code, or that would cause an Award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A of the Code, including but not limited to, a reduction in the Exercise Price.

### **6.3 Shareholder Approval**

To the extent required by Applicable US Law, the Rules will be submitted for the approval of the Company’s shareholders within 12 months of the date the Plan is adopted by the Board. Awards may be granted or awarded prior to such shareholder approval, *provided* that no Award granted to a U.S. Participant shall become exercisable or vested unless the Rules has been approved by the Company’s shareholders within 12 months of the date of adoption of the Plan and provided further that if such approval has not been obtained at the end of the 12 month period, all Awards previously granted or awarded under the Rules shall thereupon be canceled and become null and void.

### **6.4 Deferred Compensation**

To the extent that the Board determines that any Award granted under the Plan and the Rules is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan, the Rules and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and regulations promulgated thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of the Plan. Each amount to be paid or benefit to be provided under the Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in the Plan that are due within the “short term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent



required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan (or any other plan or agreement of the Company) during the 6 month period immediately following the Termination of a "specified employee" (as such term is defined in Section 409A(a)(2)(B)(i) of the Code) shall instead be paid on the first business day after the date that is 6 months following the Termination of the specified employee (or upon such specified employee's death, if earlier). Notwithstanding any provision of the Plan or the Rules to the contrary, in the event that following the effective date of the Plan the Board determines that any Award may be subject to Section 409A of the Code and regulations promulgated thereunder, the Board may adopt such amendments to the Plan or the Rules and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect such as compliance with any available correction program offered by the U.S. Internal Revenue Service), or take any other actions, that the Board determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and regulations promulgated thereunder. The Board may permit deferrals of compensation pursuant to the terms of a U.S. Participant's Award Agreement, a separate plan, or an appendix that (in each case) meets the requirements of Section 409A of the Code.

## **6.5 Provision of Information**

To the extent required by Applicable US Law, the Company shall provide to each U.S. Participant and to each U.S. Participant who acquires Shares pursuant to the Rules, not less frequently than annually, copies of annual financial statements (which need not be audited). The foregoing requirement shall not apply (i) to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) to any plan or agreement that complies with the conditions of Rule 701 under the U.S. Securities Act as determined by the Board; *provided* that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

## APPENDIX A

TO

### BASE CARBON INC. AMNEDED AND RESTATED EQUITY INCENTIVE COMPENSATION PLAN

**(for California residents only, to the extent required by 25102(o))**

This Appendix A to the Base Carbon Inc. Amended and Restated Equity Incentive Compensation Plan shall apply only to the Participants who are residents of the State of California and who are receiving an Award under the Plan. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided by this Appendix A. Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by applicable laws, the following terms shall apply to all Awards to residents of the State of California, until such time as the Board amends this Appendix A or the Board otherwise provides.

1. The term of each Option shall be stated in the Award Agreement, provided, however, that the term shall be no more than ten (10) years from the date of grant thereof.
2. Unless determined otherwise by the Board, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Board makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust or (iv) as permitted by Rule 701 of the U.S. Securities Act.
3. If a Participant ceases to be in Active Employment, such Participant may exercise their Option within such period of time as specified in the Award Agreement, which shall not be less than thirty (30) days following the date of the Participant's Termination, to the extent that the Option is Vested on the date of Termination (but in no event later than the expiration of the term of the Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 3 months following the Participant's Termination.
4. If a Participant ceases to be in Active Employment as a result of the Participant's Disability, the Participant may exercise their Option within such period of time as specified in the Award Agreement, which shall not be less than 6 months following the date of the Participant's Termination, to the extent the Option is vested on the date of Termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's Termination.
5. If a Participant dies while in Active Employment, the Option may be exercised within such period of time as specified in the Award Agreement, which shall not be less than six (6) months following the date of the Participant's death, to the extent the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) by the Participant's designated beneficiary, personal representative, or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's Termination.

6. No Award shall be granted to a resident of California more than 10 years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the shareholders of the Company.
7. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award; provided, however, that the Administrator will make such adjustments to an Award required by Section 25102(o) of the California Corporations Code to the extent the Company is relying upon the exemption afforded thereby with respect to the Award.
8. Shares will not be issued under the Plan to Participants who are residents of the State of California unless: (i) on the date Shares are issued to Participants who are residents of the State of California pursuant to the Plan, the Corporation is a foreign private issuer, as defined by Rule 3b-4 under the Exchange Act, and the aggregate number of persons in California granted awards under all compensation plans and agreements and issued securities under all purchase and bonus plans and agreements of the Corporation does not exceed thirty five (35) or (ii) the Plan is approved by a majority of the outstanding securities entitled to vote by the later of (1) within 12 months before or after the Plan is adopted by the Board or (2) prior to or within 12 months of the issuance of any Shares under the Plan in California.

This Appendix A shall be deemed to be part of the Plan and the Board shall have the authority to amend this Appendix A in accordance with Section 11.1 of the Plan.