

**GRAPHENE MANUFACTURING GROUP LTD.**

**AMENDED RESTRICTED SHARE UNIT AND PERFORMANCE SHARE UNIT PLAN**

**OCTOBER 21, 2022**

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**GRAPHENE MANUFACTURING GROUP LTD.**

**RESTRICTED SHARE UNIT AND PERFORMANCE SHARE UNIT PLAN**

Graphene Manufacturing Group Ltd. (the "**Corporation**") hereby establishes a performance and restricted share incentive plan for certain qualified directors, executive officers, employees, Management Company Employees and Consultants of the Corporation or any of its Subsidiaries (as defined herein).

**ARTICLE 1**

**INTERPRETATION**

**1.1 Definitions**

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

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

"**Act**" means the *Corporations Act (2001)* (Australia) or its successor, as amended from time to time;

"**Affiliate**" or "affiliate" has the meaning ascribed thereto in the *Securities Act* (British Columbia), as amended, supplemented or replaced from time to time;

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

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

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

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

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

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

"**Canadian Participant**" means a Participant who is a resident of Canada and/or who is granted an Award in respect of, or by virtue of, employment services rendered in Canada;

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

- (a) any transaction (other than a transaction described in paragraph (b) below) pursuant to

which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 20% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans;

- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of assets, rights or properties of the Corporation or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other Person, other than a disposition to a wholly-owned Subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its wholly-owned Subsidiaries; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);

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

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

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

**"Eligible Participant"** means in respect of a grant of Share Units, any director, executive officer, employee, Management Company Employee or Consultant of the Corporation or any of its Subsidiaries other than an Investor Relations Service Provider;

**"Employee Share Trust"** has the meaning ascribed thereto in Section 4.2 (5) hereof;

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

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

**"Exchange Hold Period"** means "Exchange Hold Period" as defined in TSXV Policy 1.1 – *interpretation* of the Corporate Finance Manual of the TSXV;

**"Insider"** has the meaning ascribed thereto in Section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV;

**"Investor Relations Activities"** has the meaning ascribed thereto in Section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV;

**"Investor Relations Service Provider"** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;

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

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

**"Management Company Employee"** has the meaning ascribed thereto in TSXV Policy 4.4;

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

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

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

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

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

**"Performance Period"** means the period determined by the Board at the time any Share Unit is granted or at

any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Share Unit are to be measured;

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

"**Plan**" means this Amended Restricted Share Unit and Performance Share Unit Plan, including the exhibits hereto, as amended or amended and restated from time to time;

"**Redemption Date**" has the meaning ascribed thereto in Section 3.5(1) hereof;

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

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

"**Resulting Shares**" has the meaning ascribed thereto in Section 4.2(5) hereof;

"**Security Based Compensation**" has the meaning ascribed thereto in TSXV Policy 4.4;

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

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

"**Share Unit Outside Expiry Date**" has the meaning ascribed thereto in Section 3.5(4) hereof;

"**Shares**" means the ordinary shares in the capital of the Corporation, as adjusted in accordance with the provisions of Article Five of this Plan;

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

"**Summary Dismissal**" has the meaning ascribed thereto in Section 4.2(1) hereof;

"**Tax Act**" means the *Income Tax Assessment Act of 1997* (Australia);

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

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

"**Trading Day**" means any day on which the TSXV or other applicable stock exchange is open for trading;

"**TSXV**" means the TSX Venture Exchange;

"**TSXV Policy 4.4**" means Policy 4.4 – *Security Based Compensation* of the Corporate Finance Manual of the TSXV, as amended from time to time or such other TSXV policies that come into force with respect to the treatment Security Based Compensation; and

"**Vesting Date**" has the meaning ascribed thereto in Section 3.4 hereof.

## **1.2 Interpretation**

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

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **2.1 Purpose of the Plan**

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

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;



- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Shares by key employees, consultants and directors of the Corporation, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees, consultants, management company employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation;
- (d) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (e) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

## **2.2 Implementation and Administration of the Plan**

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. If such committee is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee. Nothing contained herein shall prevent the Board from adopting other or additional Security Based Compensation or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 5 and any applicable rules of an Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operation of the Plan as it may deem necessary or advisable. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board, or any Person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### 2.3 Participation in this Plan

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

### 2.4 Shares Subject to the Plan

- (1) Subject to adjustment pursuant to Article 5 hereof, and as may be approved by the Exchange and the shareholders of the Corporation from time to time:
  - (a) the securities that may be acquired by Participants pursuant to Awards under this Plan shall consist of Shares capable of issuance by the Corporation, provided that in the case of Share Units, the Corporation (or applicable Subsidiary) may, at its sole discretion, elect to settle such Share Units in Shares acquired in the open market by a Designated Broker for the benefit of a Participant;
  - (b) the actual number of Shares capable of being issued at any given time, in the aggregate, pursuant to the settlement of Share Units granted under this Plan shall not exceed 7,959,458 Shares (the "**Reserved Amount**").
- (2) For the purposes of calculating the number of Shares capable of being issued under this Plan:
  - (a) notwithstanding that the settlement of any Share Unit in Shares shall be at the sole

discretion of the Corporation as provided herein, each Share Unit shall be counted as reserving one Share under the Plan.

- (3) No Award may be granted if such grant would have the effect of causing the total number of Shares capable of being issued under this Plan to exceed the maximum number of Shares capable of being issued under this Plan as set out above.
  - (a) If (a) an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised, or (b) an outstanding Award (or portion thereof) is settled in cash, then in each such case the Shares capable of being issued in respect of such Award (or portion thereof) will again be available for issuance under the Plan.

## **2.5 Participation Limits**

- (1) In no event shall this Plan, together with all other previously established and outstanding Security Based Compensation of the Corporation, permit at any time:
  - (a) the grant to Insiders (as a group) of an aggregate number of Awards exceeding 10% of the Outstanding Issue at any point in time;
  - (b) the grant to Insiders (as a group), within any 12 month period, exceeding 10% of the Outstanding Issue, calculated at the date an Award is granted to any Insider,unless the Corporation has obtained the requisite disinterested shareholder approval.
- (2) The aggregate number of Awards, together with all other previously established and outstanding Security Based Compensation of the Corporation, granted to any one Person (and companies wholly-owned by that Person) in any 12 month period shall not exceed 5% of the Outstanding Issue, calculated on the date an Award is granted to the Person, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (3) The aggregate number of Awards, together with all other previously established and outstanding Security Based Compensation of the Corporation, granted to any one Consultant in any 12 month period shall not exceed 2% of the Outstanding Issue, calculated at the date an Award is granted to the Consultant.
- (4) Without the prior approval of the TSXV, no Shares may be issuable under this Plan to any Investor Relations Service Providers of the Corporation.

## **2.6 Granting of Awards**

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

or approval.

### ARTICLE 3 RESTRICTED AND PERFORMANCE SHARE UNITS

#### 3.1 Nature of Share Units

A Share Unit is an Award that is a bonus for services rendered in the year of grant to attract talent via sign-on agreements, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board, a Share, and subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, unless such Share Unit expires prior to being settled. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship (sometimes referred to as a "**Restricted Share Unit**" or "**RSU**"), the achievement of specified Performance Criteria (sometimes referred to as a "**Performance Share Unit**" or "**PSU**"), or both. Share Units must be subject to a minimum 12 month vesting period following the date the Share Unit is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of this Plan and TSXV Policy 4.4.

It is intended that, in respect of Share Units granted to Canadian Participants as a bonus for services rendered in the year of grant, neither the Plan nor any Share Units granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof. All Share Units granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Canadian Participant in respect of his or her services to the Corporation or a Subsidiary, as applicable.

#### 3.2 Share Unit Awards

- (1) Subject to the provisions herein and any shareholder or regulatory approval which may be required and subject to compliance with the Corporation's obligations under its constitution and the Act (including its disclosure obligations under chapter 6D.2 of the Act), the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive Share Units under the Plan, (b) fix the number of Share Units, if any, to be granted to each Eligible Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions, vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such Share Units, and (d) determine any other terms and conditions applicable to the granted Share Units, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any Share Unit Agreement. For Share Units granted to employees, Management Company Employees and Consultants, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Employee, Management Company Employee or Consultant (in each case as such terms are defined in section 1.2 of TSXV Policy 4.4), as the case may be.
- (2) All Share Units granted herein shall vest in accordance with the terms of the Share Unit Agreement entered into in respect of such Share Units.
- (3) Subject to the vesting and other conditions and provisions in this Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Board in its sole discretion may

determine, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Board to settle any Share Unit, or a portion thereof, in the form of Shares, the Board reserves the right to change such form of payment at any time until payment is actually made.

### **3.3 Share Unit Agreements**

- (1) The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "A". Such Share Unit Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Share Unit Agreement. The provisions of the various Share Unit Agreements issued under this Plan need not be identical. All Share Units shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Share Units and Shares that are subject to the Exchange Hold Period pursuant to TSXV Policy 1.1 must be legended with the Exchange Hold Period commencing on the Grant Date, and the Share Unit Agreement shall contain any applicable resale restriction or Exchange Hold Period.
- (2) The Share Unit Agreement shall contain such terms that the Corporation considers necessary in order that the Share Units will comply with any provisions respecting restricted share units in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the Share Units shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

### **3.4 Vesting of Share Units**

The Board shall have sole discretion to (a) determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria or other vesting conditions contained in the applicable Share Unit Agreement, have been met, (b) waive the vesting conditions applicable to Share Units (or deem them to be satisfied) provided that 12 months have passed since the date the Share Unit was granted or issued (subject to acceleration in certain cases in accordance with this Plan and TSXV Policy 4.4), and (c) extend the Restriction Period with respect to any grant of Share Units, provided that (i) any such extension shall not result in the Restriction Period for such Share Units extending beyond the Share Unit Outside Expiry Date. The Corporation shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of Share Units to the Participant have been satisfied, waived or deemed satisfied and such Share Units have vested (the "**Vesting Date**"). Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period, the Vesting Date of such Share Units will be deemed to be the date that is the earlier of (i) ten Business Days after the Blackout Period Expiry Date (which ten Business Day period may not be further extended by the Board) and (ii) the Share Unit Outside Expiry Date in respect of such Share Units.

### **3.5 Redemption / Settlement of Share Units**

- (1) Subject to the provisions of this Section 3.5 and Section 3.6, and subject to terms of the applicable Share Unit Agreements in respect of the applicable Participant's Share Units, a Participant's vested

Share Units shall be redeemed in consideration for a cash payment as follows:

- (a) if the Share Unit Agreement permits, at the sole discretion of the Participant for those vested Share Units on the date of delivery by the Participant to the Corporation of the notice of exercise of Share Units attached as a schedule to the Share Unit Agreement (the "**Exercise Notice**");
- (b) unless otherwise stated in the Share Unit Agreement, automatically on the date that is the 15<sup>th</sup> day following the applicable Vesting Date for such vested Share Units (or, if such day is not a Business Day, on the immediately following Business Day); or
- (c) automatically on the Share Unit Outside Expiry Date,

(each of which being the "**Redemption Date**").

- (2) Subject to the provisions of this Section 3.5 and Section 3.6, and subject to terms of the applicable Share Unit Agreement in respect of the applicable Participant's Share Units, the Corporation (or any Subsidiary that is party to an Employment Agreement or Consulting Agreement with the Participant whose vested Share Units are to be redeemed) shall, at its sole discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested Share Units either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the applicable Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (3) Settlement of a Participant's vested Share Units shall take place on the applicable Redemption Date as follows:
  - (a) where the Corporation (or applicable Subsidiary) has elected to settle all or a portion of the Participant's vested Share Units in Shares capable of issuance:
    - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 6.2; or
    - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 6.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
  - (b) where the Corporation or a Subsidiary has elected to settle all or a portion of the Participant's vested Share Units in Shares purchased in the open market, by delivery by the Corporation or Subsidiary of which the Participant is a director, executive officer,

employee or Consultant to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the Redemption Date multiplied by the number of vested Share Units to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 6.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;

- (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's Share Units that the Corporation or a Subsidiary has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 6.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation or Subsidiary of which the Participant is a director, executive officer, employee or Consultant, in cash, by cheque or by such other cash payment method as the Corporation and Participant may agree; and
  - (d) where the Corporation or a Subsidiary has elected to settle a portion, but not all, of the Participant's vested Share Units in Shares, the Participant shall be deemed to have instructed the Corporation or Subsidiary, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 6.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Corporation or Subsidiary, as applicable, shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's Share Units in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Corporation or a Subsidiary pursuant to Section 6.2, the Corporation or Subsidiary, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Corporation or Subsidiary as appropriate.
- (4) Notwithstanding any other provision in this Article 3, no payment, whether in cash or in Shares, shall be made in respect of the settlement of any Share Units later than December 15<sup>th</sup> of the fifth (5<sup>th</sup>) calendar year following the end of the calendar year in respect of which such Share Unit is granted (the "**Share Unit Outside Expiry Date**").

### **3.6 Determination of Amounts**

- (1) The cash payment obligation arising in respect of the redemption and settlement of a vested Share Unit pursuant to Section 3.5 shall be equal to the Market Value of a Share as of the applicable Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested Share Units shall, subject to any adjustments in accordance with Section 5.1 and any withholding required pursuant to Section 6.2, be equal to the Market Value of a Share as of the Redemption Date for such vested Share Units multiplied by the number of vested Share Units in the Participant's Account at the commencement of the Redemption Date (after deducting any such vested Share Units in the Participant's Account in respect of which the Corporation (or applicable Subsidiary) makes an election under Section 3.5(2) to settle such vested Share Units in Shares).

- (2) If the Corporation (or applicable Subsidiary) elects in accordance with Section 3.5(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested Share Units by the issuance of Shares, the Corporation shall, subject to any adjustments in accordance with Section 5.1 and any withholding required pursuant to Section 6.2, issue to the Participant (or the legal representative of the Participant, if applicable), for each vested Share Unit which the Corporation (or applicable Subsidiary) elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 5.1 and/or any withholding required pursuant to Section 6.2, the aggregate number of Shares to be received by a Participant upon an election by the Corporation (or applicable Subsidiary) to settle all or a portion of the Participant's vested Share Units in Shares includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

## ARTICLE 4

### GENERAL CONDITIONS

#### 4.1 General Conditions Applicable to Awards

Each Award shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of this Plan and the Award Agreement entered into in respect of such Award. Subject to Article 3.2(2) and Article 3.4 and Article 5.2, the Board has the right, in its sole discretion, to waive any vesting conditions or accelerate the vesting of any Award, or to deem any Performance Criteria or other vesting conditions to be satisfied, notwithstanding the vesting schedule set forth for such Award.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Subsidiaries in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as a shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing and except as provided under this Plan, no



adjustments shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.

- (5) **Conformity to Plan.** In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferability.** Except as set forth herein, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of descent and distribution. Awards may be exercised only by:
- (a) the Participant to whom the Awards were granted;
  - (b) upon the Participant's death, by the legal representative of the Participant's estate; or
  - (c) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

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

- (7) **No Hedging.** A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Award that has been granted to them.
- (8) **Power of Attorney.** In order to ensure compliance with this Plan, each Participant must grant an irrevocable power of attorney (in the form as agreed by the Corporation) to any person nominated from time to time by the Board.
- (9) **Participant's Entitlement.** Except as otherwise provided in this Plan (including, without limiting the generality of the foregoing, pursuant to Section 4.2), or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

#### 4.2 General Conditions Applicable to Share Units

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

- (1) **Termination by Summary Dismissal and Resignation.** Upon a Participant ceasing to be an Eligible Participant for summary dismissal (as defined in the employment agreements or other contractual agreements between the Participant and the Corporation) ("**Summary Dismissal**") or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all Share Units credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such

Participant's unvested Share Units shall be forfeited and cancelled on the Termination Date, unless otherwise extended by the Board but in no case shall such extension be greater than a period of twelve (12) months following the Termination Date.

- (2) **Death, Leave of Absence or Termination of Service.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (a) death, (b) retirement, (c) Termination of Service for reasons other than for Summary Dismissal, (d) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (e) becoming eligible to receive long-term disability benefits, all unvested Share Units in the Participant's Account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled. Notwithstanding the foregoing, if the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested Share Units, the date of such action is the Vesting Date.
- (3) **General.** For greater certainty, where (a) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 4.3(1) or Section 4.3(2) hereof or (b) a Participant elects for a voluntary leave of absence pursuant to Section 4.3(2) hereof following the satisfaction of all vesting conditions in respect of particular Share Units but before receipt of the corresponding distribution or payment in respect of such Share Units, the Participant shall remain entitled to such distribution or payment.
- (4) **Cancellation of Awards.** Notwithstanding any other provisions of this Plan, but subject at all times to any applicable laws, regulations and policies of the TSXV, if a Participant and the Corporation in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Corporation and the Participant.
- (5) **Disposal Restrictions and Compliance with Securities Laws.** If this plan, the policies of the TSXV, or a Participant's Share Unit Agreement provide that any Shares issued pursuant to the exercise of a Participant's Awards (the "**Resulting Shares**") are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing a hold period as required by the TSXV (where applicable) on the Resulting Shares or using an employee share trust (the "**Employee Share Trust**") to hold the Resulting Shares during the relevant restriction period. Regardless of whether any restrictions have been imposed under this Section 4.2(5), all Participants must comply with the policies of the TSXV, applicable securities laws and the constitution of the Corporation at all times. For so long as a Resulting Share is subject to any disposal restrictions under this Plan, the Participant will not without the prior express written consent of the Board:
  - (a) dispose of that Resulting Share;
  - (b) have a security interest granted over that Resulting Share; or
  - (c) take any action or permit another person to take any action to remove or circumvent the disposal restrictions.

#### **4.3 Employee Share Trust**

The Board may, in its discretion, use the Employee Share Trust or other mechanism for the purposes of

holding and/or delivering any Resulting Shares under this Plan on such terms and conditions as determined by the Board in its absolute discretion. For the avoidance of doubt the Board may do all things necessary for the establishment, administration, operation and funding of an Employee Share Trust.

## ARTICLE 5

### ADJUSTMENTS AND AMENDMENTS

#### 5.1 Adjustment to Shares Subject to Outstanding Awards

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

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

*provided that* any adjustment, other than in connection with a security consolidation or security split, to Awards granted under this Plan must be subject to the prior acceptance of the TSXV, including adjustments related to an amalgamation, merger, reorganization, spin-off, dividend or recapitalization. Any increase in the number of Shares underlying outstanding Awards as a result of the adjustment provisions provided in this Section 5.1 is subject to compliance with the limits set out in Section 2.4 and Section 2.5 and, if any increase in the number of Shares underlying outstanding Awards as a result of the adjustment provisions provided in Section 5.1 would result in any limit set out in Section 2.4 and Section 2.5 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchange, if applicable), make payment in cash to the Participant in lieu of increasing the number of Shares underlying outstanding Awards in order to properly reflect any diminution in value of the underlying Shares as a result of the event that triggers the adjustment.

#### 5.2 Change of Control

- (1) In the event of a potential Change of Control, the Board may exercise its discretion to determine the manner in which any or all of Awards (whether vested or unvested) and Resulting Shares (as applicable) will be dealt with, and may, among other things, accelerate the vesting of, or waive the Performance Criteria or other vesting conditions applicable to, outstanding Share Units, the date of such action shall be the Vesting Date of such Share Units, provided that such acceleration

or waiver shall not result in the Vesting Date of such Share Units occurring prior to the date that is one year from the date of grant of such Share Units.

- (2) If the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an officer or employee of, or Consultant to, the Corporation prior to the Change of Control ceases to be an Eligible Participant, then all unvested Share Units shall become vested, and the Participant's Termination Date shall be deemed to be the Vesting Date, provided that such acceleration shall not result in the Vesting Date of such Share Units occurring prior to the date that is one year from the date of grant of such Share Units unless the Change of Control occurs concurrently with the Participant ceasing to be an Eligible Participant.

### **5.3 Amendment and Termination of the Plan**

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or Exchange, and (b) any required approval of shareholders of the Corporation in accordance with TSXV Policy 4.4 or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:

- (a) amendments to fix typographical errors;
- (b) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- (c) amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If this Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

### **5.4 Amendments to Awards**

Subject to compliance with applicable laws and Exchange policies, the Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award..

## **ARTICLE 6**

### **MISCELLANEOUS**

#### **6.1 Use of an Administrative Agent**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative

agent to administer the Awards granted under the Plan and to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing: the name and address of each Participant under the Plan, and the number of Awards granted to each Participant under the Plan.

## **6.2 Tax Withholding**

Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall be made net of any applicable withholdings, including in respect of applicable withholding taxes required to be withheld at source and other source deductions, as the Corporation determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then the withholding obligation may be satisfied in such manner as the Corporation determines, including (a) by the sale of a portion of such Shares by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 6.1, on behalf of and as agent for the Participant, as soon as permissible and practicable, with the proceeds of such sale being used to satisfy any withholding and remittance obligations of the Corporation (and any remaining proceeds, following such withholding and remittance, to be paid to the Participant), (b) by requiring the Participant, as a condition of receiving such Shares, to pay to the Corporation an amount in cash sufficient to satisfy such withholding, or (c) any other mechanism as may be required or determined by the Corporation as appropriate; provided, however, that the application of this Section 6.2 to any distribution, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall not conflict with the policies of the TSXV that are in effect at the relevant time and the Corporation will obtain prior TSXV acceptance and/or shareholder approval of any application of this Section 6.2 if required pursuant to such policies.

## **6.3 Securities Law Compliance**

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

## **6.4 Reorganization of the Corporation**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or

other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **6.5 Quotation of Shares**

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

#### **6.6 No Representation or Warranty.**

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

#### **6.7 Compliance with Applicable Law.**

This Plan, as it relates to the Award, is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act). If any provision of the Plan or any Restricted Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. This Plan is subject to all relevant provisions of TSXV Policy 4.4.

#### **6.8 Governing Laws**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of Queensland, Australia. This Plan, as it relates to an Award (unless otherwise set out in the Share Unit Agreement relating to the applicable Award) is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Tax Act)

#### **6.9 Severability**

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

#### **6.10 Necessary Approvals**

The Plan shall be effective upon approval of the Plan by the Board and the acceptance by the TSXV or any regulatory authority having jurisdiction over the securities of the Corporation. The approval by the disinterested shareholders of the Corporation will be obtained for any increase to the aggregate maximum number of Shares capable of being issued under the Plan.

#### **6.11 Effective Date of the Plan**

The Plan shall become effective upon a date to be determined by the Board and upon acceptance by the TSXV; provided, however, that the Share Unit components of the Plan and any increase to the aggregate maximum number of Shares capable of being issued under the Plan shall be subject to disinterested shareholder approval. The Plan shall remain in effect until it is terminated by the Board.

**EXHIBIT "A"**  
**FORM OF SHARE UNIT AGREEMENT**

**[If Exchange Hold Period applies, include the following legend: "WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [DATE THAT IS FOUR MONTHS AND ONE DAY FOLLOWING ISSUE DATE.]"]**

This Share Unit Agreement is entered into between Graphene Manufacturing Group Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Amended Restricted Share Unit and Performance Unit Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

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

<b>Number of Share Units</b>	<b>Time Vesting Conditions</b>	<b>Performance Vesting Conditions</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

4. Subject to the terms and conditions of the Plan, the performance period for any performance-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on [●] (the "**Performance Period**"), while the restriction period for any time-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on [●] (the "**Restriction Period**"). Subject to the terms and conditions of the Plan, Share Units will be redeemed and settled **[on the date of delivery of the exercise notice by the Participant (the "Exercise Notice") for such vested Share Units, in the form attached as Schedule "A" hereto/ on the 15th day following the applicable Vesting Date for such vested Share Units (or, if such day is not a Business Day, on the immediately following Business Day)]**, all in accordance with the terms of the Plan.
5. By signing this Share Unit Agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this Share Unit Agreement (subject to any specific variations contained in this Share Unit Agreement);
  - (b) acknowledges that, subject to the vesting and other conditions and provisions in this Share Unit Agreement, each Share Unit awarded to the Participant shall entitle the Participant

to receive on settlement [an aggregate cash payment equal to the Market Value of a Share/one Share of the Corporation/a combination of an aggregate cash payment equal to the Market Value of a Share and one Share of the Corporation]. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Corporation to settle any Share Unit, or portion thereof, in the form of Shares, the Corporation reserves the right to change such form of payment at any time until payment is actually made;

- (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the vesting and redemption of any Share Unit, as determined by the Corporation in its sole discretion;
  - (d) agrees that a Share Unit does not carry any voting rights;
  - (e) acknowledges that the value of the Share Units granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and
  - (f) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
6. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Share Unit Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Share Unit Agreement, and (c) hereby accepts these Share Units subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Share Unit Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Share Unit Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this Share Unit Agreement.
7. This Share Unit Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Share Units and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Share Unit Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of Queensland, Australia. Should any provision of this Share Unit Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.
8. Unless the Shares that may be issued upon the settlement of vested Share Units granted pursuant to this Share Unit Agreement are registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and any applicable state securities laws, such Shares may not be issued in the "United States" or to "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to a Participant in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

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

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

**GRAPHENE MANUFACTURING GROUP LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
**[NAME OF PARTICIPANT]**

**Note to Plan Participants**

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

**SCHEDULE "A"**  
**TO THE FORM OF SHARE UNIT AGREEMENT**

**[If applicable]**

**NOTICE OF EXERCISE OF SHARE UNITS**

This is the Exercise Notice referred to in the Share Unit Agreement between the Corporation and [●] (the "**Participant**") dated effective \_\_\_\_\_, 20\_\_, in connection with the Restricted Share Unit and Performance Share Unit Plan of the Corporation (the "**Plan**"). Capitalized terms used herein shall have the meanings ascribed thereto in the Plan.

The undersigned Participant (or his/her legal representative(s) permitted under the Plan) hereby irrevocably elects to exercise his/her Share Units as set forth below:

(a) Number of vested Share Units to be redeemed: \_\_\_\_\_

If the Share Units are to be settled in Shares, the Participant hereby directs that the Shares be registered and a certificate therefor to be issued and delivered as directed below.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**[NAME OF PARTICIPANT]**

Direction as to Registration of Shares

\_\_\_\_\_  
Name of Registered Holder

\_\_\_\_\_  
Address of Registered Holder