**EXRO TECHNOLOGIES INC.**
12 – 21 Highfield Circle SW,
Calgary, Alberta, Canada, T2G 5N6
Tel: (604) 674-7746

# INFORMATION CIRCULAR

## AS AT AND DATED MAY 31, 2023

This information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of EXRO TECHNOLOGIES INC. ("**Exro**" or the "**Company**") for use at the annual general meeting of shareholders of the Company (the "**Meeting**") to be held at Suite 1700, 666 Burrard Street, Vancouver, British Columbia, on Friday, June 30, 2023, at 11:00 a.m. PDT and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to "**we**" and "**our**" refer to Exro Technologies Inc., "**Common Shares**" means common shares in the capital of the Company. "**Registered Shareholders**" means shareholders who hold Common Shares in their own names, a "**Beneficial Shareholders**" means shareholders who do not hold Common Shares in their own names and "**intermediaries**" refers to brokers, investment firms, clearing houses, and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers, and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the Beneficial Shareholders of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

### Appointment of Proxyholders

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act at the Meeting for the shareholder on the shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers and/or employees of the Company (the "**Management Designees**"). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

(a) Completing, dating, and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at +1 (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

(b) using a touch-tone phone to transmit voting choices to a toll-free number by following the instructions of the voice response system, while referring to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or

(c) using the Internet through Computershare's website at www.investorvote.com by following the instructions that appear on the screen while referring to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays, and holidays within the Province of British Columbia) before the Meeting or the adjournment thereof at which the proxy is to be used.

**Revocation of Proxies**

A Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder or its attorney authorized in writing may revoke a proxy by an instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited with the offices of Computershare by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting (or an adjournment of the Meeting at which the proxy is to be used), or with the chair of the Meeting on the day of the Meeting. Any revocation made or delivered at the Meeting or any adjournment thereof will be valid only with respect to matters not yet dealt with at the time such revocation is received by the chairperson or the scrutineer of the Meeting.

**Exercise of Discretion**

The Management Designees named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The Proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.**

As of the date of this Information Circular, the management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation, or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

**Advice to Beneficial Shareholders**

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depositary Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in

Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**"*)* in the United States and Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the Internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have your Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or the agent of your broker), you may attend the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or your broker's agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal proxy that would enable you, or a person designed by you, to attend the Meeting and vote your Common Shares.

If any shareholder receives more than one proxy or voting instruction form, it is because that shareholder's Common Shares are registered in more than one form. In such cases, shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the Company's last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and approval of the omnibus long-term incentive plan.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's board of directors (the "**Board**") has fixed May 23, 2023 as the record date (the "**Record Date**") for the determination of shareholders entitled to receive notice of and to vote at the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign, and deliver the Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of the Record Date, the Company had outstanding 167,841,877 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities.

To the knowledge of the Company's directors and executive officers, no shareholders beneficially own, or control, or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to the outstanding Common Shares of the Company.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein relating to setting the number of directors, the election of directors, the appointment of auditors, approval of the omnibus long-term incentive plan, and ratification and approval of certain grants made under the omnibus long-term incentive plan. A special resolution passed by a 66 and two-thirds (66 2/3) majority of affirmative votes cast at the Meeting is required to pass the resolution described herein relating to amending the Company's articles to adopt advance notice provisions in respect of the nomination of directors.

## FINANCIAL STATEMENTS

The audited financial statements of the company for the year ended December 31, 2022, (the "**Financial Statements**"), together with the auditor's report thereon, will be presented to the shareholders at the Meeting.

The following documents have been filed with the securities commissions or similar regulatory authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Northwest Territories, Yukon, and Nunavut:

a) audited financial statements for the year ended December 31, 2022;

b) auditor's report thereon; and

c) management discussion and analysis for the year ended December 31, 2022.

Shareholders may obtain copies of these documents upon request without charge from the Company at 12 – 21 Highfield Circle SW, Calgary, Alberta, Canada, T2G 5N6. These documents are also available using the Internet on SEDAR, which can be accessed at www.sedar.com.

## ELECTION OF DIRECTORS

The Board currently consists of four (4) directors. Management proposes to fix the number of directors of the Company for the ensuing year at six (6) and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the British Columbia *Business Corporations Act* or the Articles of the Company, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as a nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

### Majority Voting Policy

The election of directors is a matter of corporate law, which does not mandate majority voting in Canada. In accordance with applicable corporate law, the election of directors is carried out at each annual meeting of shareholders by means of an ordinary resolution, that is to say, a proposal adopted by a simple majority of votes cast by shareholders present at the meeting.

The Company has adopted a majority voting policy dated for reference June 29, 2021, (the "**Majority Voting Policy**"), whereby any director receiving more votes "withheld" than votes "for" their candidature at a meeting of shareholders shall promptly tender their resignation to the chair of the Board following the meeting. The Company's Governance and Nominating Committee shall consider any such offers of resignation and recommend to the Board whether to accept such resignation. Any director who has tendered his or her resignation shall not participate in the deliberations of either the Governance and Nominating Committee or the Board. In its deliberations, the Governance and Nominating Committee may consider any stated reasons as to why shareholders "withheld" votes from 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 Governance and Nominating Committee consider relevant.

The Board shall act on the Governance and Nominating Committee recommendation within 90 days following the applicable shareholders meeting, after considering the factors identified by the Governance and Nominating Committee and any other factors that the members of the Board consider relevant. The Board shall accept the resignation of the director except where exceptional circumstances would warrant the director continuing to serve on the Board. The Board must announce its decision through a press release. If the Board declines to accept the resignation, it must fully state the reasons for its decision in the press release. The resignation of a director will be effective when accepted by the Board.

Forms of proxy provided for use at any shareholders meeting where directors are to be elected should enable the shareholders to vote in favour of, or to withhold from voting in respect of, each nominee separately. The results of the vote must be filed on SEDAR.

Subject to any applicable corporate law restrictions or requirements, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers merits the confidence of the shareholders, or it may call a special meeting of shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

The Majority Voting Policy does not apply where an election involves a proxy battle i.e., where proxy material is circulated and/or a solicitation of proxies is carried out, in support of one or more nominees who are not part of the director nominees supported by the Board or public communications are disseminated, against one or more nominees who are supported by the Board.

The Majority Voting Policy is available on Exro's website at https://www.exro.com/investors/leadership-and-governance.

**Nominees for Election as Directors**

The following table sets out the names of management's nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each directly or indirectly beneficially owns, controls, or directs.

| **Nominee Position with the Company and City, Province/State and Country of Residence** | **Occupation, Business or Employment(1)** | **Director of the Company Since** | **Committee Membership** | Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly(2) |
|---|---|---|---|---|
| Sue Ozdemir<br>Gilbert, Arizona, USA<br><br>Director & CEO | CEO of the Company, Former Business Executive, General Electric | September 9, 2019 | N/A | 46,037 |
| Terence Johnsson<br>Berlin, Germany<br><br>Director | Retired former Vice President, Audi AG; advisor and consultant for clean tech startups. | January 27, 2021 | Audit Committee<br><br>Talent and Compensation Committee | 5,000 |

| **Nominee Position with the Company and City, Province/State and Country of Residence** | **Occupation, Business or Employment[(1)]** | **Director of the Company Since** | **Committee Membership** | Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly(2) |
|---|---|---|---|---|
| Independent | | | Governance and Nominating Committee<br><br>Disclosure Committee | |
| Rodney Copes<br>Sanibel, Florida, USA<br><br>Director<br>Interim Chairman<br><br>Independent | Corporate Director. Former COO of Rivian (EV automaker); Former executive at Harley-Davidson | May 18, 2022 | Audit Committee<br><br>Talent and Compensation Committee (Chair)<br><br>Governance and Nominating Committee (Acting Chair) | Nil |
| Aleksandra Miziolek<br>Detroit, Michigan, USA<br><br>Proposed Director<br><br>Independent | Director Solid Power Inc., since 2022; former Director, Tenneco from 2020 to 2022. Operator Advisor to Assembly Ventures, since 2021; Advisor to OurOffice, since 2021; Former SVP, Chief Transformation Officer and General Counsel, Cooper-Standard Holdings Inc., from 2014 to 2019. | New Director proposed for election | N/A | Nil |
| Frank Simpkins<br>Export, Pennsylvania, USA<br><br>Proposed Director<br><br>Independent | Director, Power Solutions International, Inc. since 2017; Advisory Board member, Anovion Technologies, since 2022. | New Director proposed for election | N/A | Nil |
| Anita Ganti<br>Los Gatos, California, USA<br><br>Proposed Director | Corporate Director, consultant, and advisor, since 2019; Former Senior Vice President - Product | New Director proposed for election | N/A | Nil |

| **Nominee Position with the Company and City, Province/State and Country of Residence** | **Occupation, Business or Employment(1)** | **Director of the Company Since** | **Committee Membership** | Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly(2) |
|---|---|---|---|---|
| Independent | Engineering Services, Wipro Limited from 2015 to 2019; Former Vice President - Global Technology, Flextronics from 2013 to 2015. | | | |

(1) The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.

(2) The number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by the above nominees for directors, is based on the information obtained from insider reports filed on SEDI by the nominees..

## CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as described herein, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(b) was subject to an order that was issued after the proposed director 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.

No proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person now acting in that capacity, or within a year of that person ceasing to act in that capacity, become 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.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

## EXECUTIVE COMPENSATION

Please see Form 51-102F6 Statement of Executive Compensation attached to this Information Circular as Schedule "A".

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only compensation plan under which equity securities are authorized for issuance as of the fiscal year ended December 31, 2022, is the Company's rolling stock option plan which was established on June 7, 2021 (the "**Stock Option Plan**"). The table below summarizes the Stock Option Plan as of the fiscal year ended December 31, 2022.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| Equity compensation plans approved by securityholders | 9,629,531 | $2.06 | 5,053,892 |
| Equity compensation plans not approved by securityholders | Nil | N/A | Nil |
| Total: | 9,629,531 | $2.06 | 5,053,892 |

Notes:
(1) Since the year ended December 31, 2022, 399,500 options to purchase Common Shares have been granted, 261,910 options to purchase Common Shares have been exercised, and 194,095 options to purchase Common Shares have expired or been canceled. As of the date hereof there are options outstanding to purchase 9,573,027 Common Shares.
(2) As of the date hereof there are options available for grant to purchase 7,211,162 Common Shares.

## STOCK OPTION PLAN

The Company implemented a rolling stock option plan (the "**Stock Option Plan**") on June 7, 2021. On March 10, 2023, the Board approved the implementation of a new omnibus long-term incentive plan (the "**Omnibus Long-Term Incentive Plan**") to replace the Stock Option Plan. All stock options granted by the Company from June 7, 2021, up to and including March 10, 2023, will continue to be governed by the Stock Option Plan, the details of which plan are below, but no further grants of stock options will be made under the Stock Option Plan, unless the Omnibus Long-Term Incentive Plan is not approved by Shareholders, in which case the Stock Option Plan will continue in effect through to the 2024 annual shareholder meeting. Details of the Omnibus Long-Term Incentive Plan are included in this Information Circular under *Particulars of Matters to be Acted Upon - Exro Omnibus Long-Term Incentive Plan.*

Pursuant to the requirements of the TSX, the unallocated options under the Stock Option Plan must be re-approved by the shareholders at least every three years if the plan does not have a fixed maximum number of securities that can be issued under it. The Stock Option Plan provides that the maximum number of the common shares available for issuance under it cannot exceed 10% of the issued and outstanding shares at the time of grant.

As at the date of this Information Circular, there are 9,573,027 stock options outstanding under the Stock Option Plan representing 5.70% of the current outstanding common shares of the Company.

The principal features of the Stock Option Plan are as follows:

- Eligible participants include directors, executive officers, employees, or consultants of the Company or any of its Affiliates ("**Eligible Persons**").

- The number of common shares which may be issuable under the Stock Option Plan or when combined with all other security-based compensation arrangements of the Company, within a one-year period is limited under the Stock Option Plan, as follows:

    i. no more than 10% of the total number of issued and outstanding common shares on the grant date on a non-diluted basis to any one optionee; and

ii. the number of common shares (i) issuable at any time, or (ii) issued within any one-year period, to all insiders, under the Stock Option Plan, or when combined with all other security-based compensation arrangements of the Company will not exceed 10% of the Company's issued and outstanding Common Shares on the grant date on a non-diluted basis. Absent disinterested shareholder approval, the maximum percentage of common shares that may be issued to all insiders pursuant to the Stock Option Plan and all other established or proposed security-based compensation arrangements of the Company is 10% of the outstanding common shares. Absent disinterested shareholder approval, the maximum percentage of common shares that may be issuable within one year to any one insider and the insider's associates pursuant to the Stock Option Plan and all other established or proposed security-based compensation arrangements of the Company is 10% of the outstanding common shares.

- The exercise price for an option shall not be less than the closing price per common share on the trading day immediately preceding the grant date.

- The Stock Option Plan provides for the vesting of options at the discretion of the Company's Board. It has generally been the Company's practice that options vest 33% at six (6) months, 33% at twelve (12) months, and 34% at eighteen (18) months from issuance. In addition, some stock options may vest for the achievement of predetermined performance milestones.

- The term for each option shall be set by the Board at the time of issue of the option and shall not be more than ten years after the grant date. The term of any options which expire during, or within nine business days immediately following a date during a blackout period will be extended by 10 business days past the date of the cessation of the blackout period, notwithstanding that this may result in options being outstanding for longer than the ten-year period. Options that expire during a blackout period and are not exercised by the end of the $10^{th}$ business day following the end of the blackout period will be considered expired.

- Under the Stock Option Plan if an optionee ceases to be an Eligible Person, his, her or its option shall be exercisable as follows:

    i. if an optionee ceases to be an Eligible Person as a result of his or her resignation from the Company, each unvested option held by the optionee will automatically terminate and become void immediately upon resignation, and each vested option will cease to be exercisable on the earlier of the original expiry date of the option and ninety (90) days following the termination date;

    ii. if the optionee ceases to be an Eligible Person as a result of his or her retirement, each unvested option held by such optionee will continue to vest for a period of three (3) years from the date of his or her retirement and all vested options held by such optionee will continue to be exercisable for a period of up to three (3) years from the date of his or her retirement, and afterwards each vested option held by such optionee will cease to be exercisable and all unvested options will terminate and become void;

    iii. if an optionee ceases to be an Eligible Person by reason of death, each unvested option held by such optionee will vest immediately and the legal representative of the optionee may exercise the optionees options for the period ending on the earlier of (i) the original expiry date of the option, and (ii) the date that is twelve (12) months following the date of the optionees death;

    iv. if an optionee ceases to be an Eligible Person as a result of his or her disability, each unvested option held by such optionee will continue to vest in accordance with the terms of grant of such option and each vested option held by such participant will remain exercisable until the original expiry date of the option;

v. if an optionee ceases to be an Eligible Person as a result of such optionee's service having been terminated for cause, each option held by the optionee will automatically terminate and become void;

vi. if other than in connection with a change of control event, an optionee ceases to be an Eligible Person as a result of such optionee's service with the Company having been terminated without cause, each unvested option held by the optionee will automatically terminate and become void on the termination date and each vested option will cease to be exercisable on the earlier of the original expiry date of the option and ninety (90) days following the termination date, unless otherwise determined by the Board, in its sole discretion.

- No optionee may assign any of his, her or its rights under the Stock Option Plan or any option granted thereunder, except to:

  i. a trustee, custodian or administrator acting on behalf of, or for the benefit of such a person;

  ii. a holding entity of such person; or

  iii. an RRSP or RRIF of such person.

- The Stock Option Plan permits the Board to amend or discontinue the Stock Option Plan or options granted thereunder at any time without shareholder approval, provided any amendment to the Stock Option Plan that requires approval of any applicable exchanges may not be made without approval of such applicable exchanges. However, shareholder approval will be required for changes to the Stock Option Plan that:

  i. increase the percentage of shares issuable on exercise of outstanding options at any time;

  ii. any reduction in the exercise price of an option, cancellation and reissue of options, extension of the expiry date of an option or substitution of options with cash or other awards on terms that are more favourable to the participant;

  iii. any amendment to the Insider participation limit;

  iv. any amendments to the shareholder approval requirement sections of the Stock Option Plan;

  v. any change that would materially modify the eligibility requirements for participation in the Stock Option Plan;

  vi. any amendment to the maximum grant value permitted to be granted to non-executive directors; and

  vii. any amendment to permitted transfer and assignment of options.

- The Stock Option Plan provides additional powers to the Board with respect to the withholding of tax and other required deductions in connection with the exercise of an option.

The burn rate of the Stock Option Plan is as follows:

| | **2022** | **2021** | **2020** |
|---|---|---|---|
| Options Issued during Fiscal Year | 1,278,000 | 3,640,000 | 5,045,000 |
| Weighted Average Number of Shares Outstanding for Fiscal Year | 137,685,067 | 120,133,748 | 90,318,733 |
| **Burn Rate** | **0.93%** | **3.03%** | **5.59%** |

## CORPORATE GOVERNANCE

### General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines*.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted NP 58-101, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA has implemented NI 58-101, which prescribes certain disclosure by reporting issuers of their corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

### Board of Directors

#### *Independence of the Board*

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and by having strong independent Board members. The independent directors are able to meet at any time without any of the non-independent directors being present. Further supervision is performed through the Audit Committee, who may meet with the Company's auditors without management being in attendance.

Directors are considered to be "independent" if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment, as defined in National Instrument 52-110 - *Audit Committees*.

The Board currently consists of four directors, a majority (3) of whom are independent. None of the three independent directors has any direct or indirect material relationship with the Company (other than as a holder of shares or options of the Company) which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgment. Ms. M.A. Jill Bodkin, Mr. Rodney Copes, and Mr. Terence Johnsson are independent directors. Ms. Sue Ozdemir is the Chief Executive Officer of the Company. As an officer of the Company, Ms. Ozdemir is not considered an independent director. Mss. Aleksandra Miziolek and Anita Ganti, and Mr. Frank Simpkins are proposed for election at the Meeting, each of whom would be an independent director. Ms. Bodkin is not standing for re-election at the Meeting.

The Board currently has an interim independent chair. The independent directors have the opportunity to meet regularly in an *in-camera* session as part of board meetings and can otherwise communicate as they deem necessary. The Board believes that Messrs. Copes, Johnsson, and Simpkins, and MMs. Miziolek and Ganti as a group are experienced, familiar with the expectations of independent directors, and capable of exercising independent judgment.

The Board meets approximately once every quarter and following the annual meeting of shareholders. The frequency of the meetings and the nature of the meeting agendas are dependent on the nature of the business and affairs which the Company faces from time to time. During the year ended December 31, 2022, the Board met fifteen times.

To facilitate the functioning of the Board independently of management, the Audit, Talent and Compensation, and Governance and Nominating Committees consist entirely of independent directors. When appropriate, members of management are not present for the discussion and determination of certain matters at meetings of the Board. The independent directors hold *in-camera* meetings regularly following certain Board and Committee meetings at which non-independent directors and members of management are not in attendance.

***Directorships***

Certain directors of the Company and director nominees are directors of other issuers as described in the following table:

| Name of Director/Director Nominee | Names of Other Reporting Issuers of which the Director is a Director |
|---|---|
| Aleksandra Miziolek | Solid Power, Inc. (NASDAQ: SLDP) |
| Frank Simpkins | Power Solutions International, Inc. (OTC Pink: PSIX) |
| Anita Ganti | Power Integrations, Inc. (NASDAQ: POWI) |

***Board of Directors Attendance***

The following table shows the meeting attendance record and percentage attendance for each director between January 1, 2022, and December 31, 2022:

| Director | Board of Directors | Audit Committee | Talent and Compensation Committee | Corporate Governance and Nominating Committee |
|---|---|---|---|---|
| Sue Ozdemir | 15/15 (100%) | N/A | N/A | N/A |
| Mark Godsy(5) | 14/15 (93%) | N/A | N/A | N/A |
| M.A. Jill Bodkin(6) | 15/15 (100%) | 9/9(100%) | 11/11(100%) | 1/1 (100%) |
| Frank Borowicz(4) | 15/15 (100%) | 8/9 (89%) | 11/11(100%) | 3/3 (100%) |
| Terence Johnsson | 14/15 (93%) | 9/9 (100%) | 10/10 (100%) | 1/1 (100%) |
| Juliette Wurmlinger(1) | 2/2 (100%) | N/A | N/A | 2/2 (100%) |
| Alan Gaines(2) | 2/2 (100%) | N/A | N/A | 2/2 (100%) |
| Rodney Copes(3) | 7/11 (64%) | 3/5 (60%) | 6/7 (86%) | 1/1 (100%) |

Notes:
(1) Ms. Wurmlinger resigned from the Board on April 1, 2022.
(2) Mr. Gaines resigned from the Board on March 23, 2022.
(3) Mr. Copes was appointed to the Board on May 18, 2022.
(4) Subsequent to December 31, 2022, on March 13, 2023, Mr. Borowicz resigned from the Board.
(5) Subsequent to December 31, 2022, on March 31, 2023, Mr. Godsy resigned from the Board.
(6) Ms. Bodkin is not standing for re-election at the Meeting.

In addition, certain Board and Committee decisions during the year ended December 31, 2022, were passed by way of written resolution.

***Board Practices***

The Board is currently comprised of four directors. The size and experience of the Board is important for providing the Company with effective governance in the clean technology industry. The Board's responsibilities can be effectively and efficiently administered at its proposed size. The Board currently has an independent Interim Chairman. The Board has functioned and is of the view that it can continue to function, independently of management as required. Directors are elected for a term of one year at the annual general meeting.

Procedures are in place to allow the Board to function independently and to facilitate open and candid discussion among its independent members. The Board and its committees conduct *in-camera* sessions, at which members of management are not present. The *in-camera* sessions are intended not only to encourage the Board and its committees to independently fulfill their mandates, but also to facilitate the performance of the fiduciary duties and responsibilities of the Board. At the present time, the Board has experienced directors that have made a significant contribution to the Company's success and are satisfied that it is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company.

***Mandate of the Board of Directors, its Committees and Management***

The role of the Board is to oversee the conduct of the Company's business, including the supervision of management, and determining the Company's strategy. The Board operates under a Corporate Governance Guidelines Policy, and the responsibilities of the Board include:

- ensure that the business of the Company is conducted in compliance with applicable laws and regulations and according to the highest ethical standards;
- review and approve on a regular basis, and as the need arises, fundamental operating, financial, and other strategic corporate plans which take into account, among other things, the opportunities, and risks of the business;
- evaluate the performance of the Company, including the appropriate use of corporate resources;
- evaluate the performance of, and oversee the progress and development of, senior management and take appropriate action, such as promotion, change in responsibility and termination;
- implement senior management succession plans;
- evaluate the Company's compensation programs;
- establish a corporate environment that promotes timely and effective disclosure (including appropriate controls, procedures, and incentives), fiscal accountability, high ethical standards, and compliance with applicable laws and industry and community standards;
- evaluate the Company's systems to identify and manage the risks faced by the Company;
- identify and review the financial risks and other risks that the Company must face in the course of its business and use reasonable best efforts to ensure that such risks are appropriately managed;
- review and decide upon material transactions and commitments;
- develop a corporate governance structure that allows and encourages the Board to fulfill its responsibilities;
- provide assistance to the Company's senior management, including guidance on those matters that require Board involvement; and
- evaluate the overall effectiveness of the Board and its committees.

Management is responsible for the Company's day-to-day operations, including proposing its strategic direction and presenting budgets and business plans to the Board for consideration and approval. The strategic plan takes into account, among other things, the opportunities and risks of the Company's business. Management provides the Board with periodic assessments as to those risks and the implementation of the Company's systems to manage those risks. The Company's Audit Committee also reviews risks to the Company on a quarterly basis and communicates these to the Board. The Board reviews the personnel needs of the Company from time to time, having particular regard to succession issues relating to senior management. Management is responsible for the training and development of personnel. The Board assesses how effectively the Company communicates with shareholders, and ensures compliance with the Company's Disclosure Policy, as described below. Through the Audit Committee, and in conjunction with its auditors, the Board assesses the adequacy of the Company's internal control and management information systems. The Board looks to management to keep it informed of all significant developments relating to or affecting the Company's operations. Major financings, acquisitions, dispositions, and investments are subject to

Board approval. The Board meets as required, and the Board and committees may take action at these meetings or at a meeting by conference call or by written consent.

***Position Descriptions***

The Board has three (3) committees: the Audit Committee, the Talent and Compensation Committee, and the Governance and Nominating Committee. The Chair of each committee is required to ensure that the committee meets when required and performs its duties as set forth in the charter, and to report to the Board on the activities of the committee. Because the size and nature of the Company's business allows each director to understand their role in progressing the Company's operations, the Board has not yet developed written position descriptions for the Chair of each Board committee. Additionally, the Company has a Disclosure Committee, comprised of certain members of senior management and one independent director.

The Board has not yet developed a written position description for the Chairman of the Board or the CEO; however, the established role of the CEO is to take overall management responsibility for the operations of the business of Exro, to manage the Company in an effective, efficient and forward-looking way, and to fulfil the priorities, goals and objectives determined by the Board of the Company in the context of the Company's strategic plans, budgets and responsibilities, with a view to increasing shareholder value. To achieve this, it is essential that the CEO develops a good working relationship with the Board, other employees of the Company, shareholders, and other stakeholders. The CEO reports to the Chairman and to the Board.

***Orientation and Continuing Education***

Given the Company's size and stage of development, the Company has not yet established a formal orientation policy for new Board members. Management will provide new directors with an initial orientation to familiarize them with Exro and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Corporate Governance Guidelines, and its independent auditors. The Board encourages but does not require directors to periodically pursue or obtain appropriate programs, sessions, or materials as to the responsibilities of directors of publicly traded companies. Directors are also kept informed as to matters impacting, or which may impact, the Company's operations through regular communications from management and reports and presentations given by the Company's management and employees at various Board meetings.

The current directors of the Company, who are experienced in boardroom procedures and corporate governance and have a good understanding of the Company's business, are also available to any new directors to provide information regarding the Company's business and to answer any questions new directors may have. The Board does not feel a formal education program is currently necessary for its directors.

***Ethical Business Conduct***

The Board considers the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest is sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The Board has adopted a Code of Business Conduct and Ethics (the "Code") which requires that the Company's directors, officers, consultants, and employees maintain the highest level of integrity in their dealings with each other and with the public on behalf of the Company. Procedures for dealing with conflicts of interest are outlined in the Code. All directors, officers, employees, and consultants of Exro, together with any contractors that the Board may decide, provide annual certification of compliance with the Code.

The Chief Financial Officer or in the absence of the Chief Financial Officer, the Chief Executive Officer of Exro will be responsible for ensuring that all annual certifications are obtained each year, and for providing written confirmation to the Board that such certifications have been obtained and summarizing the results thereof. To date, there have been no departures from the Code by any of the Company's directors, officers, employees, or consultants.

The Code addresses conflicts of interest, by requiring that:

- Team Members, in discharging their duties, will act honestly and in good faith with a view to the best interests of Exro.
- Directors, officers, employees, consultants, and contractors will avoid situations involving actual or potential conflicts between their personal, family or business interests, and the interests of Exro, and shall promptly disclose any such conflict, or potential conflict, to Exro.
- Directors, officers, employees, consultants, and contractors will perform their duties and arrange their personal business affairs in a manner that does not interfere with their independent exercise of judgment. Unless approved by the Board, no director, officer, or employee of Exro or consultant or contractor working for Exro will accept financial compensation of any kind, nor any special discount, loan, or favour, from persons, corporations or organizations having dealings or potential dealings with Exro.
- Directors have a statutory responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest. A director will recuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects such director's personal, business, or professional interests.
- Non-executive directors of Exro are not expected to devote their time and effort solely on behalf of Exro, and they may have a variety of other business relationships that could give rise to a conflict of interest. Any such activities are not prohibited by the Code but must reported to and resolved directly with the Board.

A copy of the Code is provided annually to all directors, officers, employees, and consultants of Exro, and may be obtained by request from the Company's Corporate Secretary.

***Whistleblower Policy***

The Company has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding corporate fraud, unethical business conduct, questionable accounting or auditing practices, or a violation of provincial or federal securities laws to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made to the General Counsel and the Chair of the Audit Committee. Complaints may be investigated internally by Management, by the Board, or the appropriate committee or referred to the police or the appropriate regulatory authority.

A copy of the Code is provided to all directors, officers, employees, and consultants of Exro, and may be obtained by request from the Company's Corporate Secretary.

***Corporate Disclosure Policy***

The Company has adopted a Corporate Disclosure Policy which establishes procedures which permit the disclosure about the Company and its subsidiaries to the public in a timely manner and to ensure that when information has not been publicly disclosed it remains confidential. All directors, officers, consultants, and employees are required to adhere to this policy to ensure that all investors in securities of the Company have equal access to information that may affect their investment decisions. The Company has established a Disclosure Committee comprised of the CEO, the CFO, the CMO, an independent director, and the Corporate Secretary. The Disclosure Committee is responsible for determining whether information is material information, the timely disclosure of material information in accordance with applicable securities laws and stock exchange rules and regulations, monitoring compliance with the Disclosure Policy and overseeing Exro's disclosure controls and procedures.

The Corporate Disclosure Policy is provided to all directors, officers, employees, and consultants and may be obtained by request from the Company's Corporate Secretary.

***Insider Trading Policy***

The Company has adopted an Insider Trading Policy which, in conjunction with the *Business Corporations Act* (British Columbia), the Criminal Code (Canada), the *Securities Act* (British Columbia) and National Instrument 55-104, *Insider Reporting Requirements and Exemptions*, establishes guidelines and procedures for purchases and sales of shares in the Company by directors, officers, employees, and consultants. The policy describes procedures for the communication of trading blackout periods and procedures for the exercise of stock options or other convertible securities. The policy also ensures that there is no speculating in the securities of the Company, that unpublished price-sensitive information is kept strictly confidential and prohibits the short selling of the Company's securities at any time. It also ensures that there is no trading in securities of other companies with the knowledge that the Company is contemplating or engaged in acquiring such company or its securities or negotiating significant business arrangements.

The Insider Trading Policy is provided to all directors, officers, employees, and consultants and may be obtained by request from the Company's Corporate Secretary.

***Nomination of Directors***

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The process for identifying and recommending the nomination of new Board candidates is set forth in the Governance and Nominating Committee Mandate. Annually, the Governance and Nominating Committee, together with input from the Chairman of the Board and the CEO, provides the Board with a list of individuals recommended for election to the Board at the annual meeting of shareholders. Before recommending a candidate, replacement or additional director, the Governance and Nominating Committee will review his or her qualifications, experience, availability to serve, conflicts of interest, and other relevant factors. As part of its decision making, the Governance and Nominating Committee will also take into account the current size, composition, and operation of the Board to ensure effective decision making.

Nominees for directorship will be recommended to the Board by the Governance and Nominating Committee in accordance with the policies and principles set forth in its charter. Any invitation to join the Board should be extended through the Chairperson of the Governance and Nominating Committee or the Chairman or Chief Executive Officer after approval by the full Board. The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders, in each case based upon the recommendation of the Governance and Nominating Committee.

A copy of the Governance and Nominating Committee Mandate is available on the Exro website at:
https://www.exro.com/investors/leadership-and-governance.

***Governance and Nominating Committee***

The Governance and Nominating Committee acts in an advisory capacity to the Board with respect to governance and nominating matters. The purpose of the Governance and Nominating Committee is to ensure the integrity of the corporate governance process, board performance, disclosure policy, ombudsman activity, environmental impact, health and safety oversight, material information disclosure, identifying, recommending, and nominating candidates to the Board, ensuring appropriate skill sets are maintained on the Board, assessing the effectiveness of individual directors, identifying the CEO of the Company, and assisting the CEO in selecting the senior management of the Company.

The duties and responsibilities of the Governance and Nominating Committee also include:

- developing a set of corporate governance principles and guidelines specifically applicable to the Company and consistent with the Company's Corporate Governance Guidelines and its mandate;

- annually to (i) evaluate the performance of the Board and its committees; (ii) the existence, terms, and adequacy of directors' and officers' insurance maintained by Exro, (iii) assess the participation, contribution, and effectiveness of the Chairman and all other individual directors; and (iv) review and assess the adequacy of its mandate;

- monitoring the Board with regard to the ongoing application of its Corporate Governance Guidelines;
- ensuring clear separation of the responsibilities of the Board, the committees of the Board, the Chairman, the CEO, and the officers of Exro are maintained; and
- ensuring a process is established for the orientation and education of new directors.

The Governance and Nominating Committee currently consists of three independent directors, Mr. Copes (Acting Chair), Ms. Bodkin, and Mr. Johnsson. To encourage an objective nomination process, the entire Board also reviews the qualifications of a nominee, availability to serve, conflicts of interest, Board size, Board composition, gender diversity and inclusiveness, and other relevant factors. As Ms. Bodkin is not standing for re-election at the Meeting, the Governance and Nominating Committee will be reconstituted following the Meeting.

The Corporate Governance and Nominating Committee Mandate is available on the Exro website at: https://www.exro.com/investors/leadership-and-governance.

***Talent and Compensation Committee***

The Talent and Compensation Committee recommends to the Board the compensation of the Company's directors and the CEO which the Talent and Compensation Committee feels is suitable. Its recommendations are reached primarily by comparison of the remuneration paid by the Company with publicly available information on remuneration paid by other reporting issuers that the Talent and Compensation Committee feels are similarly placed within the same business of the Company. The Talent and Compensation Committee may also engage the services of external compensation advisors to determine appropriate compensation levels for the Company's executives and directors.

The purpose of the Talent and Compensation Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- Board compensation;
- the establishment of salaries plus fringe benefits for executive management and senior staff;
- review of any contingency plans developed by management for management succession; and
- the employee-employer relationship.

The Talent and Compensation Committee currently consists of three independent directors, Ms. Bodkin, Mr. Copes (Chair), and Mr. Johnsson. All members of the Talent and Compensation Committee are experienced in the oversight of executive and operational management teams as a result of their experience with various private and public sector businesses. As Ms. Bodkin is not standing for re-election at the Meeting, the Talent and Compensation Committee will be reconstituted following the Meeting.

The Company has adopted a Talent and Compensation Committee Mandate that ensures that independent directors determine and review the compensation of executives on behalf of the Board and design the compensation policies and packages so as to attract, retain, and motivate quality employees, all while not exceeding market rates.

The duties and responsibilities of the Talent and Compensation Committee are to:

- review and make recommendations to the Board regarding the corporate goals and objectives, performance, and compensation of the CEO on an annual basis;
- review and, as appropriate, approve the recommendations of the CEO regarding:
    - compensation of the senior officers of the Company that report to the CEO;

- the compensation policy of the Company, including internal structure, annual review, and relationship to market levels and changes;
- significant changes in the Company's benefit plan and human resources policies; and
- issuance of stock options to employees, consultants, and directors;

- review and recommend changes to the compensation of the Board, as necessary, based on a comparison of peer companies and issues relevant to the Company;
- review and make recommendations to the Board regarding annual bonus policies for employees and any incentive compensation plans and equity-based plans of the Company;
- review the executive compensation disclosure before the Company publicly discloses this information; and
- as it deems necessary or appropriate, to retain independent legal or other advisors to assist the committee with its duties and responsibilities.

The Talent and Compensation Committee Mandate is available on Exro's website at: https://www.exro.com/investors/leadership-and-governance.

***Assessments***

The Company's Governance and Nominating Committee annually evaluates and reports to the Board on the performance and effectiveness of the Board and its committees. In addition, in order to satisfy itself that the Board, its committees and individual directors are performing effectively, the Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and its committees.

Each committee of the Board is responsible for conducting an annual self-evaluation. The Corporate Governance and Nominating Committee is responsible for monitoring the process and evaluation criteria established by each committee. The assessment is then discussed with the full Board following the end of each fiscal year.

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

The Company does not have any terms limits or other mechanisms of Board renewal, as the Board believes that the imposition of terms limits for its directors may lead to the exclusion of potentially valuable members of the Board.

***Policies Regarding the Representation of Women on the Board***

While the Company recognizes the value of and supports the principle of diversity, it has not adopted a written policy relating to the identification and nomination of women directors. The Board does not believe that strict rules in the identification and nomination process necessarily ensure the selection of the best candidates. Currently the Board has two female directors (50% of the Board). While one female director is not standing for re-election at the Meeting, two additional female director nominees are proposed for election at the Meeting. If the three proposed new director nominees are elected, the Board will be comprised of three female directors (50% of the Board) following the Meeting.

***Consideration of the Representation of Women in the Director Identification and Selection Process***

The Governance and Nominating Committee's identification and selection process is based on a variety of different criteria, including diversity of background and opinion, skills, experience, and other relevant factors. As such, consideration of the level of women on the Board is one factor among many that plays a role in the decision-making process.

***Consideration Given to the Representation of Women in Executive Officer Appointments***

The Governance and Nominating Committee also considers a multitude of factors, including the representation of women in executive officer positions. The Company has not adopted targets regarding women on the Board or in executive officer positions. This will be reviewed in the upcoming year. With respect to executive officer positions, there is currently one woman (14%) and six men (86%) who are executive officers of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company and its subsidiaries have not provided any guarantee, support agreement, letter of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means: (a) a director or executive officer of the Company (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

Since the commencement of the Company's most recently completed financial year, no informed person of the Company, proposed director or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction, or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

### Composition

The Audit Committee currently consists of three directors, Ms. Bodkin (Chair), Mr. Copes, and Mr. Johnsson. All the members are independent, financially literate, and have accounting or related financial expertise. "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. "Accounting or related financial expertise" means the ability to analyze and interpret a full set of financial statements, including the notes attached thereto. As Ms. Bodkin is not standing for re-election at the Meeting, the Audit Committee will be reconstituted and a new Chair will be appointed following the Meeting.

The Audit Committee assists the Board in its oversight of the Company's consolidated financial statements and other related public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors, qualifications and independence and the performance of the internal audit function and the external auditors. The Audit Committee has direct communications channels with the Company's auditors. The Audit Committee reviews the Company's financial statements and related management's discussion and analysis of financial and operating results. The Audit Committee can retain legal, accounting, or other advisors.

### Charter

The Board has adopted an Audit Committee Charter which is reviewed annually and sets out the role and oversight responsibilities of the Audit Committee. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and to review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management, and the Board.

To fulfill its responsibilities and duties, the Audit Committee is responsible for:

- establishment of the independence of the external auditor and the approval of any non-audit mandates of the external auditor;
- determination of which non-audit services the external auditor is prohibited from providing the engagement, evaluation, remuneration, and termination of the external auditors;
- appropriate funding for the payment of the auditor's compensation and for any advisors retained by the audit committee;
- its relationship with and expectations of the internal auditor;
- its oversight of internal control;
- review and disclosure of financial and related information and the financial reporting process;
- annual review of the Company's policies for risk assessment and risk management;
- the review of any related-party transactions; and
- any other matter that the Audit Committee feels is important to its mandate or that which the board chooses to delegate to it.

The Audit Committee Charter is available on Exro's website at https://www.exro.com/investors/leadership-and-governance.

**Relevant Education and Experience**

Ms. Bodkin acquired her financial literacy through her education and work history. She obtained a BA from the University of Alberta and graduate work in public finance at the Syracuse University in New York. Ms. Bodkin was an International Corporate Finance partner at Ernst & Young from 1987 to 1996. She was also Deputy Minister of Financial Institutions from 1981 to 1987 and was Founding Chair of the British Columbia Securities Commission. Ms. Bodkin also served a term on the CICA Audit Standards Oversight Committee. Over twenty-five years, she has been serving on boards of directors of various public and private companies, including serving as board chair and audit committee chair.

Mr. Copes acquired his financial literacy through his education and work history. He has more than 19 years of professional experience at top levels of the world's automotive manufacturers. Mr. Copes is an entrepreneur with a special interest in lending his well-informed industry acumen to new ventures and emerging start-ups.

Mr. Johnsson acquired his financial literacy through his education and work history. He is a retired former Vice President at leading global automotive manufacturers such as Audi, Volkswagen, and General Motors. He is a serial entrepreneur engaged at founder, director, advisor, and consultant levels in early-stage clean technology start-ups. He has extensive board experience as an executive director and board chairman. Mr. Johnsson holds a Master of International Business with an International Finance concentration from the Darla Moore School of Business at the University of South Carolina.

**Audit Committee Oversight**

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

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as part of its Audit Committee Charter. The pre-approval requirement for such engagements is waived if: (i) the aggregate amount of all non-audit services provided to the Company amounts to five percent or under of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;(ii) the services were not recognized by the Company at the time of the engagement to be non-audit services and (iii) the services were promptly brought to the attention of the Audit Committee by the Company and approved by the Audit Committee (or one or more members of the Audit Committee to whom that authority to approve has been delegated by the Audit Committee, subject to the pre-approval being presented to the first scheduled meeting of the Audit Committee after the approval) prior to the completion of the audit.

**Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**External Auditor Service Fees**

Fees paid or payable to the Company's auditors, PricewaterhouseCoopers LLP, in 2021 and 2022 were as follows:

| Nature of Services | Fees Paid to the Auditor in Year Ended December 31, 2022 | Fees Paid to the Auditor in Year Ended December 31, 2022 |
|---|---|---|
| Audit Fees(1) | $135,000 | $69,000 |
| Audit-Related Fees(2) | $78,000 | $176,000 |
| Tax Fees(3) | $60,000 | $18,700 |
| All Other Fees(4) | $103,000 | $114,000 |
| Total | $376,000 | $337,700 |

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include aggregate fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, review of securities filings and statutory audits.
(2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, planning and advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
(4) "All Other Fees" include all other non-audit services, in the aggregate.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### TO SET THE NUMBER OF DIRECTORS AT SIX

**The Exro Board unanimously recommends that each Shareholder vote FOR the setting the number of directors at six. Common Shares represented by proxies in favour of the management nominees will be voted FOR the setting the number of directors at six unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the resolution**

### ELECTION OF DIRECTORS

**The Exro Board unanimously recommends that each Shareholder vote FOR the election of the six director nominees proposed in this Information Circular described under "*Election of Directors*" above. Common Shares represented by proxies in favour of the management nominees will be voted FOR the election of the six management nominees proposed in this Information Circular, unless a Shareholder has specified in its Proxy that their Common Shares are to be withheld from voting in respect of such nominees or voted in favour of other nominees for election to the Board.**

### APPOINTMENT OF AUDITOR

**The Exro Board unanimously recommends that shareholders vote to appoint PricewaterhouseCoopers LLP, of 111 5th Avenue SW, Suite 3100, Calgary, Alberta T2P 5L3, as auditor for the Company and to authorize the directors to fix their remuneration. PricewaterhouseCoopers LLP were initially engaged as auditor of the Company on April 16, 2021. Common Shares represented by proxies in favour of the management nominees**

**will be voted FOR the appointment of PricewaterhouseCoopers LLP as auditor for the Company and to authorize the directors to fix their renumeration, unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the resolution.**

## APPROVAL OF EXRO OMNIBUS LONG-TERM INCENTIVE PLAN

### Approval of Omnibus Long-Term Incentive Plan

At the Meeting, shareholders of the Company will be asked to approve an ordinary resolution (the "**Omnibus Long-Term Incentive Plan Resolution**") ratifying, confirming and approving Exro's new Omnibus Long-Term Incentive Plan and to reserve Common Shares from treasury for issuances under the Omnibus Long-Term Incentive Plan. Capitalized terms used in this section which are not otherwise defined have the meanings defined in the Omnibus Long-Term Incentive Plan.

The Omnibus Long-Term Incentive Plan has been established as a vehicle by which equity-based incentives may be awarded to the directors, officers, employees and Consultants of Exro; to advance the interests of Exro; to encourage stock ownership by Eligible Persons; to increase the proprietary interest of Eligible Persons in the success of the Company; to promote growth and profitability of the Company; to encourage Eligible Persons to take into account long-term corporate performance; to reward Eligible Persons for sustained contributions to the Company and/or significant performance achievements of the Company; and to enhance the Company's ability to attract, retain and motivate Eligible Persons.

The Omnibus Long-Term Incentive Plan is a "rolling up to 10%" plan as that term is used in TSX policy and would allow Exro to issue Options, restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and deferred share units ("**DSUs**") (collectively "**Awards**") in accordance with the restrictions set out in the Omnibus Long-Term Incentive Plan. The maximum number of Common Shares reserved and available for issuance under the Omnibus Long-Term Incentive Plan will be a rolling aggregate limit of up to 10% of the total issued and outstanding Common Shares from time to time.

The 9,573,027 Options outstanding under the existing Stock Option Plan count towards the Omnibus Long-Term Incentive Plan 10% total. As of the Record Date, the Company had outstanding 167,841,877 Common Shares, of which 10% is 16,784,187 Common Shares. Deducting the 9,573,027 Options outstanding under the Stock Option Plan from this total and further deducting the 2,612,262 Common Shares which are subject to grants made under the Omnibus Lon-Term Incentive Plan leaves a maximum of 4,598,898 Common Shares reserved and available for issuance under the Omnibus Long-Term Incentive Plan, which represents 2.74% of the Company's current issued and outstanding Common Shares. As the Omnibus Long-Term Incentive Plan is a 10% rolling plan, as existing Options granted under the Stock Option Plan are exercised or cancelled, the number of Common Shares available for issuance under the Omnibus Long-Term Incentive Plan will be 10% of the number of Common Shares then issued and outstanding less the number of Common Shares then issuable pursuant to the exercise of the remaining Options granted under the Stock Option Plan and any Common Shares issuable pursuant to the exercise of Options, RSUs, PSUs and DSUs granted under the Omnibus Long-Term Incentive Plan.

The Exro Board intends to use Awards issued under the Omnibus Long-Term Incentive Plan as part of the Exro's overall executive compensating plan. Since the value of each type of Award increases or decreases with the price of the Common Shares, the issuance of Awards reflects a philosophy of aligning the interests of Award holders with those of the Shareholders by tying compensation to the share price performance. In addition, the various Awards may assist in the retention of qualified and experienced persons by rewarding those individuals who make a long-term commitment.

Exro Shareholder approval is required by the TSX in connection with the Omnibus Long-Term Incentive Plan. The full text of the Omnibus Long-Term Incentive Plan Resolution is set forth in Schedule "B" of this Information Circular. In order for the Omnibus Long-Term Incentive Plan Resolution to become effective: (i) the Omnibus Long-Term Incentive Plan Resolution must be approved by the affirmative vote of at least a simple majority of votes cast by the Exro Shareholders who vote in person or by proxy at the Meeting.

**The Exro Board unanimously recommends that each Shareholder vote FOR the Omnibus Long-Term Incentive Plan Resolution. Common Shares represented by proxies in favour of the management nominees will be voted FOR the Omnibus Long-Term Incentive Plan, unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the Omnibus Long-Term Incentive Plan Resolution.**

A summary of the Omnibus Long-Term Incentive Plan is set out under the heading "*Particulars of the Omnibus Long-Term Incentive Plan*" below and a copy of the full text of the Omnibus Long-Term Incentive Plan is attached as Schedule "B" to this Information Circular.

**Particulars of the Omnibus Long-Term Incentive Plan**

A summary of the material terms of the Omnibus Long-Term Incentive Plan is provided below. Please refer to Schedule "B" to this Information Circular for the full text of the Omnibus Long-Term Incentive Plan. This summary is qualified in its entirety by the full text of the Omnibus Long-Term Incentive Plan. Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the Omnibus Long-Term Incentive Plan.

**Administration.** The Omnibus Long-Term Incentive Plan is administered within the sole discretion of the Exro Board, subject to the Exro Board's power to delegate such administrative duties and powers, in whole or in part, to a committee of the Board and/or any member of the Board. In connection with its administrative role, the Board may designate Participants and determine the type, size, and terms, and conditions of Awards. The Board may establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Board shall deem appropriate for the proper administration of the Plan. The Board may waive or impose any condition, restriction, or requirement in respect of Awards. The Board may also make any other determination and take any other action deemed necessary or desirable for the administration of the Plan or to comply with any applicable law.

Subject to compliance with applicable law, the applicable rules of any stock exchange and subject to any required shareholder approvals, the Board may from time to time, in its absolute discretion make certain amendments to the Omnibus Long-Term Incentive Plan and any Awards, which may include but are not limited to amendments which may be made without shareholder approval to add provisions permitting for financial assistance to Award recipients in connection with the exercise of their Awards.

**Eligibility Under the Omnibus Long-Term Incentive Plan**. Pursuant to the Omnibus Long-Term Incentive Plan, officers, employees, and consultants of or to the Company or a Subsidiary, providing ongoing services to the Company and/or its Subsidiaries shall be eligible to receive Options, RSUs and PSUs, and non-employee directors of the Company shall be entitled to receive DSUs and Options. Participation in the Plan shall be entirely voluntary and shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant's agreement to be bound thereby. The Board shall, from time to time, in its sole discretion, designate the Eligible Persons who may receive RSUs and/or PSUs, and determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs.

**Exro Shares Issuable Under the Omnibus Long-Term Incentive Plan.** The Omnibus Long-Term Incentive Plan provides that the aggregate number of Shares issuable under the plan shall not exceed 10% of the issued and outstanding Shares. If any Award is cancelled, forfeited, or terminated for any reason without having been exercised or settled in cash, Shares will again be available for issuance under the Plan. The total annual grant to any one non-employee director under all Share Compensation Arrangements shall not exceed an aggregate grant value of $100,000 in Options and $150,000 in equity.

**Types of Awards.** Awards of Options, RSUs, PSUs, and DSUs may be made under the Omnibus Long-Term Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement, and forfeiture provisions determined by the Board, in its sole discretion. Awards are subject to limitations set out in the Omnibus Long-Term Incentive Plan, and by the TSX and will generally be evidenced by an Award Agreement. In addition, subject to the limitations provided in the Omnibus Long-Term Incentive Plan and in accordance with applicable law and TSX requirements, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding awards, and waive any condition imposed with respect to Awards.

**Options.** An option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan (an "**Option**") may be granted from time to in the discretion of the Board. The Board has the authority to determine the limitations, restrictions, and conditions, if any, applicable to the exercise of an Option. Options granted to any Participant must be approved by the Shareholders if the rules of any Stock Exchange require such approval. An Option may be exercised at a price (the "**Exercise Price**") established by the Board at the time that the Option is granted, which may not be less than the current Market Price of the Company's Common Shares at the time of grant (as such term is defined in the TSX *Company Manual*). All Options granted under the Plan will vest over a four-year period following the date of the grant, with twenty percent of the total number of Options forming part of any grant to vest on the date of grant and thereafter on each anniversary date after the date of the grant, subject to restrictions provided by the Omnibus Long-Term Incentive Plan. Options may not be exercised until they have vested. Once an Option becomes vested, it shall be exercisable until expiration or termination of the Option in accordance with the Award Agreement and the Omnibus Long-Term Incentive Plan. Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by notice given to the Company as required by the Board from time to time, subject to other provisions of the Plan. No Option will be exercisable later than the tenth anniversary of the date of its grant, except where the expiry date of any Option would occur in a Black-Out Period or within nine Business Days after the end of a Black-Out Period, in which case the Expiry Date will be automatically extended to the tenth business day following the last day of the Black-Out Period.

The Exercise Price of each Share must be paid in full in cash or by bank draft or certified cheque at the time of such exercise. However, subject to any conditions or limitations established by the Board, a grant of Options may specify that the Exercise Price will be payable, at the option of the Participant and with the agreement of the Board, in the form of: (i) a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations against delivery of the Shares to settle the applicable trade; or (ii) an "option surrender" procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of a surrender of an Option that are needed to pay for the Exercise Price and all applicable required withholding obligations, whereby the Participant elects to receive (a) a cash payment equal to the Market Price of the Shares as at the date of surrender less the aggregate Exercise Price and all applicable required withholding obligations, or (b) that number of Shares calculated using the following formula, provided that arrangements satisfactory to the Company have been made to pay any applicable withholding obligations:

$$X = (Y * (A-B)) / A$$

Where:

**X** = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

**Y** = the number of Shares underlying the Options to be surrendered

**A** = the Market Price of the Shares as at the date of the surrender

**B** = the Exercise Price of such Options.

**Restricted Share Units.** An RSU is a unit awarded to a Participant to receive a payment in the form of Shares, subject to the terms and conditions of the Plan. The Board shall determine or entitle the Participant to elect whether each RSU should be received as one Share from treasury, the Cash Equivalent of one share or a combination of cash and Shares. Vesting terms will be determined by the Board at the date of grant. All vested RSUs shall be settled as soon as practicable following the Share Unit Vesting Determination Date, but in all cases (unless otherwise provided in the Award Agreement) prior to (i) December 31st of the third year following the date of grant of Share Unit, if such Share Unit shall be settled by payment of the Cash Equivalent or through purchases by the Company on the Participant's behalf on the open market, or (ii) December 31st of the tenth year following the date of grant of Share Unit, if the RSU Agreement provides that such Share Unit shall be settled by issuance of Shares from treasury.

**Performance Share Units.** A PSU is a unit awarded to a Participant to receive a payment in the form of Shares, subject to Performance Criteria and the terms and conditions of the Omnibus Long-Term Incentive Plan. For each Award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions, and the period in which any Performance Criteria and other vesting conditions must be met in order for a PSU to be considered vested. The Board shall determine or entitle the Participant to elect whether each PSU should be received as one Share from treasury, the Cash Equivalent of one share or a combination of cash and Shares. All vested PSUs shall be settled as soon as practicable following the Share Unit Vesting Determination Date, but in all cases (unless otherwise provided in the Award Agreement) prior to (i) December 31st of the third year following the date of grant of Share Unit, if such Share Unit shall be settled by payment of the Cash Equivalent or through purchases by the Company on the Participant's behalf on the open market, or (ii) December 31st of the tenth year following the date of grant of Share Unit, if the PSU Agreement provides that such Share Unit shall be settled by issuance of Shares from treasury.

**Deferred Share Units.** A DSU is a unit representing the right to receive a Share or the Cash Equivalent, subject to restrictions and condition as the Board may determine at the time of grant. Conditions may be based on continuing service as a director (or other service relationship), vesting terms and/or achievement of pre-established Performance Criteria, as applicable. Each director who is an Eligible Person may, from time to time, receive all of a portion of his or her annual retainer fee in the form of a grant of DSUs in each fiscal year. On redemption, the Board shall determine or entitle the Participant to elect whether each DSU should be received as one Share from treasury, the Cash Equivalent of one share or a combination of cash and Shares.

**Black-Out Periods.** Pursuant to the Company's policies in effect from time to time, periods of time where securities of the Company may not be traded by Insiders or other specified persons is a Black-Out Period.

**Transferability.** Awards granted under the Omnibus Long-Term Incentive Plan are non-transferable except as specifically provided under the Omnibus Long-Term Incentive Plan. Awards may be exercised only by the Participant to whom the Awards were granted, with the Board's prior written approval and subject to such conditions as the Board may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant, by the legal representative of the Participant's estate upon the Participant's death, or by the legal representative having authority to deal with the property of the Participant upon the Participant's incapacity.

**Future Value of Shares.** The Company makes no representation or warranty as to the future market value of the Shares or with respect to any present or future income tax matters affecting the Participant resulting from the grant or exercise or settlement of an Award and/or transactions in the Shares.

**No Rights to Property or Assets of the Company.** The Omnibus Long-Term Incentive Plan provides that no assets of the Company or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Company or any Affiliate under the Plan. The Company's or any Affiliate's obligation under the Plan are merely that of an unfunded and unsecured promise of the Company or such Affiliate to pay money and/or issue Shares in the future, and the rights of Participants are no greater than those of unsecured general creditors.

**Fractional Shares**. The Omnibus Long-Term Incentive Plan provides that no fractional Shares will be issued upon the exercise or settlement of Awards granted under the Plan. Accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of an Award, or from an adjustment, such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest.

**Clawback.** In the sole discretion of the Board, all Awards granted under the Plan are subject to cancellation, recoupment, rescission, payback, clawback and recapture in accordance with the Company's applicable clawback policies in effect from time to time and any applicable clawback or similar provisions in the Participant's employment agreement, and/or Award Agreement.

**Termination of Awards.** Except as explicitly provided otherwise in a Participant's employment agreement and subject to the discretion of the Exro Board, in its sole discretion, to determine otherwise:

(a) if a Participant no longer serves as a director of the Company or ceases to be an Eligible Person as a result of his or her resignation or Retirement or as a result of such Participant's engagement or employment having been terminated without cause:

  (i) each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date; and

  (ii) the Participant shall be entitled to receive any vested and unsettled RSUs, PSUs and/or DSUs held by the Participant on the Termination Date, and

(iii) each unvested Award held by the Participant will automatically terminate and become void on the Termination Date;

(b) where a Participant's ceases to be an Eligible Person by reason of death or Disability Termination:

(i) each unvested Option will continue to vest for a period of 12 months from the Termination Date and all vested options will continue to be exercisable for a period of up to the earlier of 12 months from the Termination Date and the original expiry date of the option. Thereafter, each vested Option will cease to be exercisable, and all unvested Options will terminate and become void; and

(ii) all RSUs, PSUs and/or DSUs will continue to vest for a period of 12 months from the Termination Date or until the vesting date; and

(c) where a Participant ceases to be an eligible person as a result of such Participant's Active Engagement or employment having been terminated for Cause:

(i) each option, whether vested or unvested will automatically terminate and become void on the Termination Date; and

(ii) the Participant shall be entitled to receive Shares or Cash Equivalent or combination thereof in satisfaction of any vested and unsettled RSUs, PSUs, and/or DSUs held by the Participant on Termination Date.

The Omnibus Long-Term Incentive Plan provides that Participants shall not have any entitlement to damages or other compensation arising from or related to not receiving any Awards which would have, but for this Plan or any Award Agreement, vested or accrued to the Participant after such Participant's Termination Date.

**Adjustment.** The Omnibus Long-Term Incentive Plan contains provisions for proportionate adjustments in the number or kind of Common Shares in the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of Exro's assets to Shareholders, or any other change in the Shares. When normal cash dividends (other than stock dividends) are paid on Shares, Participants shall receive additional DSUs, RSUs and/or PSUs, as applicable as of the dividend payment date.

**Change of Control**. In the event of a Change of Control Event, subject to stock exchange approval, the Exro Board shall have the sole discretion to (i) change the vesting or manner of settlement of any Award, (ii) change the Expiry Date or term of any Award, or (iii) provide for the substitution or replacement of Awards, including with Awards of the surviving Company resulting from the Change of Control Event or the potential successor. The Board shall have the power to modify the terms of the Plan and/or the Awards to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event.

**Tax Withholding.** The Company may withhold from any amount payable to a Participant such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise or settlement of Awards or other participation in this Plan.

Subject to any applicable rules of any Stock Exchange, the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make amendments to this Plan or any Awards, which may include but are not limited to: any amendment to add provisions permitting for the granting of cash-settled Awards, a form of financial assistance, or clawback and any amendment to a cash-settled Award, financial assistance, dividend equivalent or clawback provision which is adopted

**Termination of, and Amendments to, the Omnibus Long-Term Incentive Plan.** The Exro Board may at any time suspend or terminate the Omnibus Long-Term Incentive Plan, or from time to time amend or revise the terms of the Plan or of any Award granted under the Plan, provided that no such suspension, termination, amendment or revision is made except in compliance with applicable law and in the case of an amendment or revision to an outstanding award, if it would materially adversely affect the rights of any Participant, without the consent of the Participant. If the Plan is terminated, the provisions of the Plan and any administrative guidelines will continue in effect as long as any Award or any rights grants pursuant to the Plan remain outstanding.

The Board may from time to time, in its absolute discretion and without the approval of shareholders, make various amendments to the Plan or any Awards. However, shareholder approval is required for the following amendments to the Plan:

(a) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under the Plan;

(b) any reduction in the exercise price or purchase price of an Award, extension of the term of an Award benefitting an insider, or amendment providing for the cancellation and reissue of Awards;

(c) any amendment to remove or exceed the insider participation limit;

(d) any amendment which would permit Options to be transferable or assignable other than by will or the laws of descent and distribution; and

(e) any amendment to what the Board may amend with or without shareholder approval respectively.

**Grants to U.S. Participants.** The Omnibus Long-Term Incentive Plan applies additional limitations and requirements to any Options granted to a US Participant, and further requirements and limitations to Options issued in reliance of the California Corporations Code.

A copy of the full text of the Omnibus Long-Term Incentive Plan is attached as Schedule "B" to this Information Circular.

**The Exro Board unanimously recommends that each Shareholder vote FOR the following resolution in favour of the adoption of the Omnibus Long-Term Incentive Plan, Proxies granted in favour of the management nominees will be voted FOR the approval of the Omnibus Long-Term Equity Incentive Plan unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the resolution.**

**"RESOLVED AS AN ORDINARY RESOLUTION OF THE COMPANY'S SHAREHOLDERS THAT:**

1. The Omnibus Long-Term Equity Incentive Plan of the Company, in substantially the form described in, and appended as Schedule B to the Company's management information circular for the annual and special meeting of the Company's Shareholders dated May 31, 2023 is hereby ratified, confirmed and approved and shall be adopted by the Company, subject to acceptance by the Toronto Stock Exchange.

2. The maximum number of common shares in the capital of the Company authorized and reserved for issuance under the Omnibus Long-Term Equity Incentive Plan and the Company's existing Stock Option Plan, shall be 10% of the then issued and outstanding common shares of the Company.

3. The directors of the Company be and is hereby authorized to issue awards pursuant to and subject to the terms and conditions of the Omnibus Long-Term Incentive Plan to those eligible to receive awards thereunder.

4. Notwithstanding that these resolutions be passed by the shareholders of the Company, the adoption of the Omnibus Long-Term Incentive Plan is conditional upon receipt of final approval of the Toronto Stock Exchange, and the board of directors of the Company is hereby authorized and empowered to make any changes to the Omnibus Incentive Plan, if required by the Toronto Stock Exchange, or to revoke these resolutions, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the board of directors.

5. Any one director or officer of the Company is authorized and directed, on behalf of the Company to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

## RATIFICATION AND APPROVAL OF GRANTS MADE UNDER OMNIBUS LONG-TERM INCENTIVE PLAN

**Ratification and Approval of Grants under Omnibus Long-Term Incentive Plan**

At the Meeting, shareholders of the Company will be asked to ratify and approve certain grants of securities-based compensation made under the Omnibus Long-Term Incentive Plan.

Under the applicable policies of the Toronto Stock Exchange, a listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained. On May 31, 2023, the Board approved grants of Options, RSUs and PSUs to certain Officers and Directors under the Omnibus Long-Term Incentive Plan as follows:

| **CEO & Executives** | **Title** | **PSUs** | **Options** |
|---|---|---|---|
| Sue Ozdemir | CEO | 108,750 | 217,500 |
| John Meekison | CFO | 108,750 | 217,500 |
| Darrell Bishop | CIO | 108,750 | 217,500 |
| Eric Hustedst | CTO | 108,750 | 217,500 |
| Spyros Gorgogiannis | C Eng. O | 91,250 | 182,500 |
| Simon Strawbridge | COO | 91,250 | 182,500 |
| Josh Sobil | CCO | 45,625 | 91,250 |
| Sarah Lee | VP People | 45,625 | 91,250 |
| Mo Farrokhi | VP Marketing | 45,625 | 91,250 |
| Justin Goeglein | Director of Engineering, Services Division | 45,625 | 91,250 |
| | | | |
| **Independent Directors** | | **RSUs** | |
| Terrence Johnnson | | 70,754 | |
| Rod Copes | | 70,754 | |
| Jill Bodkin | | 70,754 | |
| | | | |
| **Notes** | | | |
| RSUs will vest 33% on July 1, 2023; 33% on January 1, 2024 and 34% on July 1, 2024 | | | |
| Options will vest 33% on July 1, 2023; 33% on January 1, 2024 and 34% on July 1, 2024 | | | |
| All options were granted at an exercise price of $2.12 being the closing price of Exro shares on May 31, 2023 | | | |
| PSUs for executives will vest based on certain long term key performance indicators approved by the board. | | | |

If the Omnibus Long-Term Incentive Plan is not approved at the Meeting, the forgoing grants will be cancelled.

**The Exro Board unanimously recommends that each Shareholder vote FOR the following resolution in favour of ratifying and approving the foregoing grants of Options, PSUs and RSUs made under the Omnibus Long-Term Equity Incentive Plan, Proxies granted in favour of the management nominees will be voted FOR in this resolution unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the resolution.**

> **"RESOLVED AS AN ORDINARY RESOLUTION OF THE COMPANY'S SHAREHOLDERS THAT** the Option, PSU and RSU Grants made under the Omnibus Long-Term Equity Incentive Plan of the Company described in the Company's management information circular for the annual and special meeting of the Company's Shareholders dated May 31, 2023 are hereby ratified, confirmed and approved, subject to acceptance by the Toronto Stock Exchange."

## APPROVAL OF ADVANCE NOTICE FOR NOMINATION OF DIRECTORS

The Board proposes that the Company's articles be amended to require advance notice for the nomination of directors by inserting the text set forth in the Advance Notice Provisions to this Information Circular (the "**Advance Notice Provisions**") as a new Article 14.12 of the Company's Articles. The summary of the Advance Notice Provisions provided below is qualified in its entirety by the full text of the Advance Notice Provisions, which is attached as Schedule "C" to this Information Circular. At the Meeting, shareholders of the Company will be asked to approve a special resolution to approve this amendment to the Company's articles.

### Purpose of the Advance Notice Provision

The purpose of amending the Company's Articles to include the Advance Notice Provisions is to provide shareholders, directors, and management of the Company with a clear framework for nominating directors. The Board believes that the Advance Notice Provisions will: (i) facilitate an orderly and efficient annual general meeting or, where the need arises, special meeting, process; (ii) ensure that shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

### Terms of the Advance Notice Provisions

The Advance Notice Provisions provide that timely notice to the Company must be made and the procedures set out in the articles must be followed for persons to be eligible for election to the Board. These provisions shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders called for any purpose which includes the election of directors.

In the case of an annual meeting of shareholders, notice must be made no later than 5:00 pm (Vancouver time) on the 30$^{th}$ day before the date of the meeting; provided, however, that if the annual meeting of shareholders is less than 50 days before the meeting date, notice may be given no later than the close of business on the 10$^{th}$ day following the first public announcement made by the company of the meeting date. In the case of a special meeting of shareholders (which is not also an annual meeting), notice may be given no later than the close of business on the 15$^{th}$ day following the first public announcement made by the company of the meeting date.

In order to comply with the Advance Notice Provisions, the notice must include various details about the person(s) being nominated, including their name, age, business, residential address, principal occupation/business or employment, the number of securities of the company owned, full particulars of the relationship between the shareholder making the nomination and the person being nominated, the written consent of each person being nominated, and other requirements set out in the Advance Notice Provisions 4(a). Additionally, the shareholder giving the notice must provide their name, business, residential address, the number of securities of the company owned, their interests in any agreement, any relationships or agreements between them and the person(s) they are nominating, and other requirements set out in the Advance Notice Provisions 4(b).

The Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

The text of the Advance Notice Provisions is attached as Schedule "C" to this Information Circular.

**The Exro Board unanimously recommends that each Shareholder vote FOR the following resolution in favour of the amendment of the Company's articles to include the Advance Notice Provisions. Proxies granted in favour of the management nominees will be voted FOR the approval of the amendment of the Company's**

**articles to include the Advance Notice Provisions unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the resolution.**

> **"RESOLVED AS AN SPECIAL RESOLUTION OF THE COMPANY'S SHAREHOLDERS THAT** the Company's articles be amended to add the Advance Notice Provisions attached as Schedule "C" to the Company's management information circular for the annual and special meeting of the Company's shareholders dated May 31, 2023 as section 14.2 of the Company's articles."

**Other Matters**

Management of the Company is not aware of any other matters which are to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any matters other than those referred to herein should be presented at the Meeting, the persons named in the enclosed Proxy are authorized to vote the shares represented by the Proxy in accordance with their best judgment.

**Additional Information**

Additional information relating to the Company is available on the SEDAR website at www.sedar.com. Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis of the most recently completed financial year ended December 31, 2022. Copies of the Company's financial statements and management discussion and analysis may be obtained upon request from the Company to the attention of the Corporate Secretary at 12 - 21 Highfield Circle SW, Calgary, AB T2G 5N6.

**Approval and Certification**

The contents of this Information Circular have been approved and this mailing has been authorized by the directors of the Company.

Where information contained in this Information Circular rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**Directors' Approval**

The Board of the Company has approved the contents of this Information Circular and its distribution to each shareholder entitled to receive notice of the Meeting.

Dated at Vancouver, British Columbia, this 31st day of May 2023.

*"Rodney Copes"*

______________________________

Rodney Copes
Interim Chairman

**SCHEDULE "A"**

**Form 51-102F6**
***Statement of Executive Compensation***
**(for the year ended December 31, 2022)**

**EXRO TECHNOLOGIES INC.**

For purposes of this Statement of Executive Compensation, "NEO" or "named executive officer" means each of the following individuals:

(a) the Company's Chief Executive Officer ("CEO");

(b) the Company's chief financial officer ("CFO");

(c) each of the Company's s, including any of its subsidiaries', three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the financial year.

Based on the foregoing definition, during the last completed fiscal year of the Company, there were five NEOs, namely its:

(a) current Director & CEO, Sue Ozdemir;

(b) current CFO, John Meekison;

(c) current Chief Technology Officer, Eric Hustedt;

(d) current Chief Investment Officer, Darrell Bishop; and

(e) former President of Exro Vehicle Systems, Brian Van Batavia.

### References to Currency

Unless otherwise stated, all references in this information circular to monetary amounts are expressed in Canadian dollars.

## COMPENSATION DISCUSSION AND ANALYSIS

The Company does not have a compensation program other than paying base salaries, incentive bonuses, and granting incentive stock options and, going forward, share-based awards to the NEOs. The Company recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The components of the compensation package are included to enable the Company to meet different objectives. The objectives of base salary are to recognize market pay and acknowledge the competencies and skills of individuals. The objective of incentive bonuses (paid in the form of cash payments) is to add a variable component of compensation to recognize corporate and individual performances for executive officers and employees. The objectives of stock option and share-based awards are to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. Implementation of new long-term incentive plans and amendments to the existing stock option plan are the responsibility of the Company's Talent and Compensation Committee.

The compensation of the CEO is reviewed and recommended for Board approval by the Company's Talent and Compensation Committee. Although the Board has not formally evaluated the risks associated with the Company's compensation policies and practices, the Board has no reason to believe that any risks that arise from the Company's compensation policies and practices are reasonably likely to have a material impact on the Company. Having engaged an external compensation advisor during the year ended December 2022, the Talent and Compensation Committee and the Board are satisfied that the Company's current compensation practices are commensurate with the compensation practices of peer companies in the clean technology sector. In 2022, the Talent and Compensation Committee worked with its compensation advisor to develop appropriate peer group comparisons and compensation design for NEO's and the Board for the 2023 fiscal year and onward.

The general objectives of the Company's compensation strategy are to:

(a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value;

(b) align management's interests with the long-term interests of shareholders;

(c) provide a compensation package that is commensurate with other comparable companies to enable the Company to attract and retain talent; and

(d) ensure that the total compensation package is designed in a manner that takes into account the Company's present stage of development and its available financial resources. The Company's compensation packages have been designed to provide a blend of a non-cash stock option component and a reasonable salary.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the price of the Company's securities.

| **Compensation Element** | **Description** | **Compensation Objectives** |
|---|---|---|
| Annual Base Salary | Salary is market-competitive, fixed level of compensation. | Retain qualified leaders, motivate strong business performance. |
| Incentive Bonuses | Short-term incentive cash bonuses may be awarded based on start date, base salary, and a set multiplier. In addition, there is a discretionary multiplier that may be applied by the Board. | Reward individual performance in achieving corporate and individual goals. |
| Incentive Stock Option | Long-term incentive equity grants are made in the form of stock options. The amount of grant will be dependent on individual and corporate performance. | Reward long-term financial and operating performance and align interests of key employees with those of shareholders. |

Provided shareholders approve the implementation of the Omnibus Long-Term Incentive Plan, in the future, share-based awards, such as PSUs, RSUs, and DSUs may be awarded to NEOs as long-term incentive equity to reward the meeting of certain long-term financial and operating performance metrics of the Company.

The Company relies on the discretion and judgment of the directors in establishing and amending contracts for all forms of compensation, including stock options to be granted to the CEO and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Talent and Compensation Committee and the Board are guided by the general objectives of the Company's compensation strategy as set out above.

The Company's Talent and Compensation Committee believes that the CEO must have the highest total compensation in the Company.

***External Compensation Advisor***

In 2022, the Company engaged Pearl Meyer & Partners LLC ("Pearl Meyer"), to review and report on the following:

- equity assessment;
- peer group development;
- long-term incentive plan document design;
- executive compensation competitiveness;
- executive security arrangements;
- board of directors' compensation design;
- employee stock purchase plan document design;
- review of regulatory documents; and
- provision of ongoing consultant access.

Pearl Meyer has not provided any services to the Company, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to compensation services provided for any of the Company's directors or executive officers.

**Compensation Consultant Service Fees**

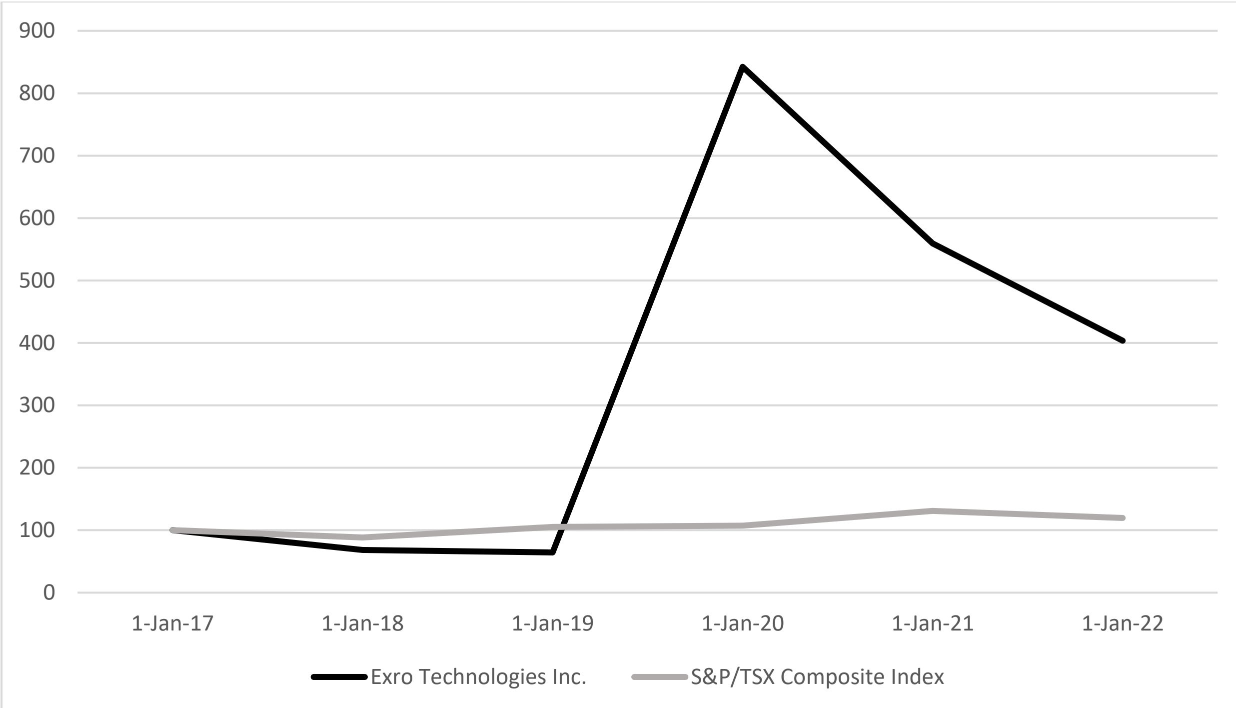
Fees paid or payable to the Company's compensation consultant, Pearl Meyer, in 2022 were as follows:

| Nature of Services | Fees Invoiced by Pearl Meyer in Year Ended December 31, 2022 |
|---|---|
| Executive Compensation-Related Fees(1) | $105,069 |
| All Other Fees(2) | $110,846 |
| Total | $215,915 |

(1) "Executive Compensation-Related Fees" include the aggregate fees billed by Pearl Meyer for services related to determining compensation for any of the Company's directors or executive officers.
(2) "All Other Fees" include the aggregate fees billed for all other services provided by Pearl Meyer that are not reported under Note (1), above.

**Performance Graph**

The following graph compares the yearly percentage change in the cumulative total shareholder return for $100 invested in Common Shares of the Company on January 1, 2018, against the cumulative total return of the S&P/TSX Composite Index over the most recently completed financial year. The Company did not pay any dividends during this period. The Company's Talent and Compensation Committee takes into account the performance of the Company's common shares as an element of executive compensation.




| | January 1, 2018 | January 1, 2019 | January 1, 2020 | January 1, 2021 | January 1, 2022 | January 1, 2023 |
|---|---|---|---|---|---|---|
| **Exro Technologies Inc.** | 100 | 68.27 | 64.42 | 842.31 | 559.62 | 403.85 |
| **S&P/TSX Composite** | 100 | 88.36 | 105.27 | 107.55 | 130.93 | 119.59 |

**SUMMARY COMPENSATION TABLE**

The following table sets forth particulars concerning the compensation paid or accrued for services rendered to the Company by its NEOs in all capacities during the three most recently completed financial years ending on December 31, 2022, 2021 and 2020.

| Name and principal position | Year | Salary ($) | Share-based awards ($)(1) | Option-based awards ($)(2) | Non-equity incentive plan compensation ($)(3) | Pension value ($)(4) | All other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|---|
| SUE OZDEMIR DIRECTOR AND CEO(5) | 2022 | 559,016 | Nil | Nil | 569,632 | Nil | 21,730(12) | 1,150,378 |
| | 2021 | 484,060 | Nil | Nil | 632,102 | Nil | 46,507(6) | 1,162,669 |

| Name and principal position | Year | Salary ($) | Share-based awards ($)[1] | Option-based awards ($)[2] | Non-equity incentive plan compensation ($)[3] | Pension value ($)[4] | All other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 375,981 | Nil | 1,836,300 | 388,281 | Nil | Nil | 2,600,562 |
| JOHN MEEKISON CFO | 2022 | 296,248 | Nil | 151,732 | 121,860 | Nil | 75,086[13] | 644,926 |
| | 2021 | 232,789 | Nil | 120,939 | 84,375 | Nil | 88[7] | 438,191 |
| | 2020 | 197,654 | Nil | 856,940 | 55,125 | Nil | Nil | 1,109,719 |
| ERIC HUSTEDT CHIEF TECHNOLOGY OFFICER[8] | 2022 | 231,012 | Nil | Nil | 91,073 | Nil | 130[7] | 322,215 |
| | 2021 | 199,683 | Nil | 362,818 | 56,751 | Nil | 9,438[9] | 628,690 |
| | 2020 | 122,163 | Nil | 720,740 | 37,626 | Nil | Nil | 880,529 |
| DARRELL BISHOP CHIEF INVESTMENT OFFICER[10] | 2022 | 223,066 | Nil | 230,425 | 109,792 | Nil | 106[7] | 563,389 |
| BRIAN VAN BATAVIA FORMER PRESIDENT OF EXRO VEHICLE SYSTEMS[11] | 2022 | 318,708 | Nil | 105,084 | 153,559 | Nil | Nil | 577,351 |

Notes:

(1) The Company does not currently have any share-based award plans.

(2) The methodology used to calculate the fair value of a stock option on the grant date is based on the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model is the model accepted under International Financial Reporting Standards in computing the fair value of stock options granted and is commonly used by public companies. The Company used the following weighted average assumptions in the model to determine the awards granted above in 2022: Dividend Yield – nil; Expected Life – 5 years; Volatility – 104.14%; Risk Free Interest Rate – 2.84%, Forfeiture Rate – nil%.

(3) Comprised of cash bonuses for performance.

(4) The Company does not have any pension plans.

(5) Ms. Ozdemir was appointed as a director and CEO on September 9, 2019.

(6) Comprised of a moving allowance of $46,485 and taxable life insurance contribution of $22.

(7) Taxable life insurance contribution.

(8) Mr. Hustedt was appointed as Chief Engineer on November 16, 2020, and was promoted to Chief Technology Officer in 2021.

(9) Comprised of a moving allowance of $9,350 and a taxable life insurance contribution of $88.

(10) Mr. Bishop joined Exro and was appointed President, Finance and Investor Relations on February 17, 2022, and was promoted to Chief Investment Officer on January 1, 2023.

(11) Mr. Van Batavia joined Exro and was appointed President, Exro Vehicle Systems, on July 8, 2022, and left the Company on May 25, 2023.

(12) Comprised of auto allowance of $21,730

(13) Comprised of a moving allowance of $76,000 and taxable life insurance contribution of $86.

### Annual Base Salary

Base salaries for NEOs are determined by the Board upon the recommendation of the Talent and Compensation Committee and its recommendations are reached primarily by comparison with the remuneration paid by other reporting issuers with the same size and industry and with publicly available information on remuneration that the Talent and Compensation Committee feels is suitable.

The annual base salary paid to NEOs is, for the purpose of establishing appropriate increases, reviewed annually by the Board upon the recommendation of the Compensation Committee as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase is in the sole discretion of the Board and the Talent and Compensation Committee.

### Non-Equity Incentive Plan Compensation

One of the three components of the Company's compensation package is a discretionary annual cash bonus, paid to recognize individual performance in attaining corporate goals and objectives.

### Option Based Awards

Option based awards are in the form of incentive stock options. The objective of incentive stock options is to reward the individual performance of NEOs, employees, and directors at the discretion of the Board based upon the recommendation of the Talent and Compensation Committee.

The Company implemented the Stock Option Plan on June 7, 2021. On March 10, 2023, the Board approved the implementation of the Omnibus Long-Term Incentive Plan to replace the Stock Option Plan. All stock options granted by the Company from June 7, 2021, up to and including March 10, 2023, are governed by the Stock Option Plan. The Stock Option Plan and the Omnibus Long-Term Incentive Plan are administered by the Talent and Compensation Committee. The process the Company uses to grant option- and share-based awards is upon the recommendations of the Talent and Compensation Committee. The role of the Talent and Compensation Committee is to recommend to the Board the compensation of the Company's directors and NEOs which the Talent and Compensation Committee feels is suitable. All previous grants of option- and share-based awards are taken into account when considering new grants.

## INCENTIVE PLAN AWARDS

### Outstanding share-based awards and option-based awards

The following table sets forth the options granted to the NEOs to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year ended December 31, 2022:

| | Option-based Awards | | | | Share-based Awards | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Number of securities underlying unexercised options (#)** | **Option exercise price ($)** | **Option expiration date** | **Value of unexercised in-the-money options ($)[1]** | **Number of shares or units of shares that have not vested (#)** | **Market or payout value of share-based awards that have not vested ($)** | **Market or payout value of vested share-based awards not paid out or distributed ($)** |
| Sue Ozdemir, Director & CEO | 1,500,000 | 0.25 | 13-Sep-24 | 2,775,000 | Nil | Nil | Nil |
| | 750,000 | 3.15 | 13-Oct-25 | Nil | | | |
| John Meekison, CFO | 100,000 | 0.41 | 8-Nov-23 | 169,000 | Nil | Nil | Nil |
| | 100,000 | 0.25 | 13-Sep-24 | 185,000 | | | |

| Name | Option-based Awards: Number of securities underlying unexercised options (#) | Option exercise price ($) | Option expiration date | Value of unexercised in-the-money options ($)(1) | Share-based Awards: Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested ($) | Market or payout value of vested share-based awards not paid out or distributed ($) |
|---|---|---|---|---|---|---|---|
| | 350,000 | 3.15 | 13-Oct-25 | Nil | | | |
| | 50,000 | 2.96 | 20-Sep-26 | Nil | | | |
| | 100,000 | 1.47 | 12-Apr-27 | 63,000 | | | |
| ERIC HUSTEDT<br>CHIEF TECHNOLOGY OFFICER | 300,000 | 1.00 | 31-Aug-25 | 330,000 | Nil | Nil | Nil |
| | 200,000 | 3.15 | 13-Oct-25 | Nil | | | |
| | 150,000 | 2.96 | 20-Sep-26 | Nil | | | |
| DARRELL BISHOP<br>CHIEF INVESTMENT OFFICER | 200,000 | 1.47 | 12-Apr-27 | 126,000 | Nil | Nil | Nil |
| BRIAN VAN BATAVIA<br>FORMER PRESIDENT OF EXRO VEHICLE SYSTEMS | 100,000 | 1.05 | 2-Sep-27 | 105,000 | Nil | Nil | Nil |
| | 100,000 | 3.75 | 22-Nov-26 | Nil | | | |

Notes:

(1) In-the-Money Options is the difference between the market value of the underlying securities on December 30, 2022, and the exercise price of the option. The closing market price of the Company's common shares as of December 30, 2022, was $2.10 per common share.

### Incentive plan awards – value vested or earned during the year

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specific period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year ended December 31, 2022:

| Name | Option-based awards – Value vested during the year ($)(1)(2) | Share-based awards – Value vested during the year ($) | Non-equity incentive plan compensation – Value earned during the year ($) |
|---|---|---|---|
| SUE OZDEMIR<br>DIRECTOR & CEO | Nil | Nil | 569,632 |
| JOHN MEEKISON<br>CFO | Nil | Nil | 121,860 |

| Name | Option-based awards – Value vested during the year ($)(1)(2) | Share-based awards – Value vested during the year ($) | Non-equity incentive plan compensation – Value earned during the year ($) |
|---|---|---|---|
| ERIC HUSTEDT<br>CHIEF TECHNOLOGY OFFICER | 42,840 | Nil | 91,073 |
| DARRELL BISHOP<br>CHIEF INVESTMENT OFFICER | Nil | Nil | 109,792 |
| BRIAN VAN BATAVIA<br>FORMER PRESIDENT OF EXRO VEHICLE SYSTEMS(3) | Nil | Nil | 153,559 |

Notes:

(1) The aggregate dollar value that would have been realized if the options held had been exercised on the vesting dates.
(2) The actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise and the value of the Common Shares upon disposition of such Common Shares.
(3) Effective May 25, 2023, Mr. Van Batavia is no longer an employee of the Company.

**PENSION PLAN BENEFITS**

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

**USE OF FINANCIAL INSTRUMENTS**

The Company prohibits speculation in the Company's securities, and under its Insider Trading Policy, the Company prohibits Insiders who are directors, officers and employees of Exro from entering into any transaction that has the effect of offsetting the economic value of any direct or indirect interest of such Insiders in Securities of Exro. This includes the purchase of financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity Securities granted to such Insiders as compensation or otherwise held directly or indirectly by such Insiders.

The term "Insider" has the meaning ascribed to it under Section 1 of the *Securities Act* (Alberta) RSA 2000 cS-4.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company has entered into employment agreements as follows:

*Sue Ozdemir*

Employment agreement effective July 30, 2019, as amended, with Ms. Sue Ozdemir, as Chief Executive Officer of the Company. Ms. Ozdemir receives compensation of USD$465,948 per year less statutory deductions and is entitled to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees and consultants, in the amounts and on the terms and the time determined by the Board. Ms. Ozdemir may qualify for an annual bonus of up to 125% of her annual base salary upon meeting certain performance targets and milestones, as outlined in her employment agreement, with such bonus to be determined at the discretion of the Board.

If Ms. Ozdemir's employment is terminated without cause, she will be entitled to payment of base salary to the date of termination, a bonus for that portion of the year she was actively employed plus the Notice Period, accrued but unpaid expenses at the date of termination, and the value of the pro-rated vacation leave pay. She will also be entitled to an amount equal to six months plus one month for every year worked of her employment (the "Notice Period").

If Ms. Ozdemir's employment is terminated without cause during the six-month period following a Change of Control (as defined in the employment agreement), she will be entitled to the same payments outlined above, with the Notice Period being changed from 6 months to 12 months.

If terminated without cause, Ms. Ozdemir's will retain group benefits for a period of the earlier of the Notice Period and the date she becomes covered under the group benefits plan of another employer.

Under all termination scenarios, except for termination for cause, stock options held by Ms. Ozdemir that have vested as at the date of the termination will be exercisable for a period of ninety (90) days, pursuant to the Company's equity incentive plan(s).

*John Meekison*

On December 31, 2022, Mr. John Meekison was party to an employment agreement dated September 21, 2021, as amended, for his services as Chief Financial Officer of the Company. Mr. Meekison received compensation of $236,250 per year less statutory deductions and was entitled to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees and consultants, in the amounts and on the terms and at the time determined by the Board. Mr. Meekison was eligible to receive an annual cash bonus up to 50% of his annual salary upon meeting certain performance targets and milestones.

If Mr. Meekison's employment was terminated without cause, he would be entitled to payment of base salary to the date of termination, a pro-rated bonus for that portion of the year he was actively employed excluding Notice Period, accrued but unpaid expenses at the date of termination, and the value of the pro-rated vacation leave pay. He would also be entitled to an amount equal to six months plus one month for every year worked of his employment, to a maximum of six months.

If Mr. Meekison's employment was terminated without cause during the six-month period following a Change of Control (as defined in the employment agreement), he will be entitled to the same payments outlined above, with the Notice Period being changed from 6 months to 12 months.

Subsequent to December 31, 2022, on January 1, 2023, Mr. Meekison entered into a new employment agreement, whereby he will receive an annual base salary of USD$297,738 and may be eligible to receive a semi-annual cash bonus of fifty (50) percent of his annual base salary upon meeting certain performance targets and milestones, to be determined at the discretion of the Board. Mr. Meekison will be eligible to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board.

If Mr. Meekison's employment is terminated without cause, he will be entitled to payment of base salary to the date of termination, and a payment of the total of: (i) severance in lieu of notice equal to six (6) months of the then base salary only; (ii) one (1) month salary for each consecutive year of employment with the Company; (iii) any outstanding vacation pay as at the effective date of the termination; and (iv) any outstanding expenses as at the effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

If Mr. Meekison's employment is terminated without cause during the twelve-month period following a Change of Control (as defined in the employment agreement), he will be entitled to: (i) severance in lieu of notice equal to twelve (12) months of the then base salary only; (ii) any outstanding vacation pay as at the effective date of the termination; and (iii) any outstanding expenses at the then effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

Under all termination scenarios, except for termination for cause, stock options held by Mr. Meekison that have vested as at the date of the termination will be exercisable for a period of ninety (90) days, pursuant to the Company's equity incentive plan(s).

*Eric Hustedt*

On December 31, 2022, Mr. Eric Hustedt was party to an employment agreement dated August 1, 2020, as amended, with Mr. Eric Hustedt as Chief Technology Officer of the Company. Mr. Hustedt received compensation of $225,750 per year less statutory deductions and is entitled to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board. Mr. Hustedt was eligible to receive an annual cash bonus up to 30% of his annual salary upon meeting certain performance targets and milestones.

If Mr. Hustedt's employment was terminated without cause during the twelve-month period following a Change of Control (as defined in the employment agreement), he would be entitled to payment of base salary equal to twelve months. He would also have been entitled to unpaid expenses at the date of termination, and the value of the pro-rated vacation leave pay.

Subsequent to December 31, 2022, on January 1, 2023, Mr. Hustedt entered into a new employment agreement, whereby he will receive an annual base salary of $275,000 and may be eligible to receive a semi-annual cash bonus of fifty (50) percent of his annual base salary upon meeting certain performance targets and milestones, to be determined at the discretion of the Board. Mr. Hustedt will be eligible to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board.

If Mr. Hustedt's employment is terminated without cause, he will be entitled to payment of base salary to the date of termination, and a payment of the total of: (i) severance in lieu of notice equal to six (6) months of the then base salary only; (ii) one (1) month salary for each consecutive year of employment with the Company; (iii) any outstanding vacation pay as at the effective date of the termination; and (iv) any outstanding expenses as at the effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

If Mr. Hustedt's employment is terminated without cause during the twelve-month period following a Change of Control (as defined in the employment agreement), he will be entitled to: (i) severance in lieu of notice equal to twelve (12) months of the then base salary only; (ii) any outstanding vacation pay as at the effective date of the termination; and (iii) any outstanding expenses at the then effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

Under all termination scenarios, except for termination for cause, stock options held by Mr. Hustedt that have vested as at the date of the termination will be exercisable for a period of ninety (90) days, pursuant to the Company's equity incentive plan(s).

*Darrell Bishop*

On December 31, 2022, Mr. Darrell Bishop was party to an employment agreement dated February 25, 2022, as amended, for his services as Chief Investment Officer of the Company. Mr. Bishop received compensation of $255,572 per year less statutory deductions and was entitled to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board. Mr. Bishop was eligible to receive an annual cash bonus up to 50% of his annual salary upon meeting certain performance targets and milestones.

If Mr. Bishop's employment was terminated without cause, he would be entitled to two (2) weeks of salary plus one (1) additional week of salary for each completed year of employment to a maximum of eight (8) weeks.

Subsequent to December 31, 2022, on January 1, 2023, Mr. Bishop entered into a new employment agreement, whereby he will receive an annual base salary of USD$268,380 and may be eligible to receive a semi-annual cash bonus of fifty (50) percent of his annual base salary upon meeting certain performance targets and milestones, to be determined at the discretion of the Board. Mr. Bishop will be eligible to participate in any incentive stock option plan or other incentive program as may be available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board.

If Mr. Bishop's employment is terminated without cause, he will be entitled to payment of base salary to the date of termination, and a payment of the total of: (i) severance in lieu of notice equal to six (6) months of the then base salary only; (ii) one (1) month salary for each consecutive year of employment with the Company; (iii) any outstanding vacation pay as at the effective date of the termination; and (iv) any outstanding expenses as at the effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

If Mr. Bishop's employment is terminated without cause during the twelve-month period following a Change of Control (as defined in the employment agreement), he will be entitled to: (i) severance in lieu of notice equal to twelve (12) months of the then base salary only; (ii) any outstanding vacation pay as at the effective date of the termination; and (iii) any outstanding expenses at the then effective date of the termination. He will also be entitled to maintain his group benefits for a period of nine (9) months from the effective date of the termination.

Under all termination scenarios, except for termination for cause, stock options held by Mr. Bishop that have vested as at the date of the termination will be exercisable for a period of ninety (90) days, pursuant to the Company's equity incentive plan(s).

*Brian Van Batavia*

Mr. Brian Van Batavia was party to an employment agreement dated October 20, 2021, for his services as President of Exro Vehicle Systems, of the Company (the "Van Batavia Agreement") whereby he would receive an annual base salary of USD$240,000 and have been eligible to receive an annual cash bonus of up to forty (40) percent of his annual base salary upon meeting certain performance targets and milestones, as set out in the Van Batavia Agreement. Mr. Van Batavia was also eligible for a three (3) percent commission on net revenue earned by Exro Technologies USA Inc.'s Services Division, and up to a four (4) percent commission on the additional net revenue in excess of revenue targets in years where annual revenue targets were exceeded.

Mr. Van Batavia was eligible to participate in any incentive stock option plan or other incentive program as were available from time to time to directors, officers, employees, and consultants, in the amounts and on the terms and at the time determined by the Board.

On May 25, 2023, Mr. Van Batavia's employment was terminated without cause, and he was entitled to payment of his current base salary to the date of termination equivalent of one-month base salary, per completed year of employment at the date of termination.

All stock options held by Mr. Van Batavia that have vested as at the date of the termination will be exercisable for a period of ninety (90) days, pursuant to the Company's equity incentive plan(s).

*Estimated Payments Upon Resignation or Termination*

The table below sets forth estimates of the incremental payments, payables and benefits to NEOs, assuming that the triggering event were to have taken place on December 31, 2022.

| **NEO** | **Resignation ($)** | **Termination without cause ($)[(1)]** | **Termination with cause ($)** | **Retirement ($)** | **Change of control within 6 months following termination without cause ($)** |
|---|---|---|---|---|---|
| Sue Ozdemir *CEO and Director* | 89,911 | 1,025,293 | Nil | Nil | 1,500,135 |
| John Meekison *CFO* | 54,450 | 370,853 | Nil | Nil | 534,204 |
| Eric Hustedt *Chief Technology Officer* | 19,753 | 120,210 | Nil | Nil | 238,730 |
| Darrell Bishop *Chief Investment Officer* | 10,252 | 10,252 | Nil | Nil | Nil |
| Brian Van Batavia[(2)] *Former President of* | 12,764 | 40,421 | Nil | Nil | Nil |

| NEO | Resignation ($) | Termination without cause ($)(1) | Termination with cause ($) | Retirement ($) | Change of control within 6 months following termination without cause ($) |
|---|---|---|---|---|---|
| *Exro Vehicle Systems* | | | | | |

Notes:

(1) Assumes that the Company opted to make a payment to the NEO in lieu of providing health and wellness benefits for the period following the termination date.

(2) Mr. Van Batavia's employment with the Company ended on May 25, 2023. Pursuant to the terms of the Van Batavia Agreement, he will receive a payment of $38,446.16.

## DIRECTOR COMPENSATION

The following table sets forth the value of all compensation paid to the directors, excluding Sue Ozdemir who was paid as an officer and not as a director, in their capacity as directors for the year ended December 31, 2022:

**Director Compensation Table**

| Name | Fees earned ($) | Share-based awards ($)1 | Option-based awards ($)(2) | Non-equity incentive plan compensation ($) | Pension value ($)(3) | All other compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| Mark Godsy | 75,000 | Nil | Nil | Nil | Nil | Nil | 75,000 |
| M.A. Jill Bodkin | 76,250 | Nil | Nil | Nil | Nil | Nil | 76,250 |
| Rodney Copes | 31,250 | Nil | 166,201 | Nil | Nil | Nil | 197,451 |
| Frank Borowicz | 72,500 | Nil | Nil | Nil | Nil | Nil | 72,500 |
| Terence Johnsson | 61,250 | Nil | Nil | Nil | Nil | Nil | 61,250 |
| Juliette Wurmlinger | 12,500 | Nil | Nil | Nil | Nil | Nil | 12,500 |
| Alan Gaines | 20,000 | Nil | Nil | Nil | Nil | Nil | 20,000 |

Notes:

(1) The Company does not currently have any share-based award plans.

(2) The methodology used to calculate the fair value of a stock option on the grant date is based on the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model is the model accepted under International Financial Reporting Standards in computing the fair value of stock options granted and is commonly used by public companies. The Company used the following weighted average assumptions in the model to determine the awards granted above in 2022: Dividend Yield – Nil; Expected Life – 5 years; Volatility – 104.14%; Risk Free Interest Rate – 2.84%, Forfeiture Rate – 0%.

(3) The Company does not have any pension plans.

Except as disclosed herein, no director of the Company who is not a NEO has received, during the most recently completed financial year, compensation pursuant to:

(a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or

(c) any arrangement for the compensation of directors for services as consultants or experts.

The Company may grant incentive stock options and share-based awards to directors of the Company from time to time pursuant to Omnibus Long-Term Incentive Plan of Company and in accordance with the policies of the TSX.

**Outstanding share-based awards and option-based awards**

The following table sets forth the options granted to the directors to purchase or acquire securities of the Company outstanding on December 31, 2022:

| | Option-based Awards | | | | Share-based Awards | | |
|---|---|---|---|---|---|---|---|
| **Name[(1)]** | **Number of securities underlying unexercised options (#)** | **Option exercise price ($)** | **Option expiration date** | **Value of unexercised in-the-money options ($)[(2)]** | **Number of shares or units of shares that have not vested (#)** | **Market or payout value of share-based awards that have not vested ($)** | **Market or payout value of vested share-based awards not paid out or distributed ($)** |
| Mark Godsy[(3)] | 100,000 | 0.41 | 8-Nov-23 | 169,000 | Nil | Nil | Nil |
| | 100,000 | 3.15 | 13-Oct-25 | Nil | | | |
| M.A. Jill Bodkin[(5)] | 100,000 | 3.15 | 13-Oct-25 | Nil | Nil | Nil | Nil |
| Frank Borowicz[(4)] | 100,000 | 3.15 | 13-Oct-25 | Nil | Nil | Nil | Nil |
| Terence Johnsson | 450,000 | 4.77 | 6-Apr-26 | Nil | Nil | Nil | Nil |
| Rodney Copes | 75,000 | 1.47 | 12-Apr-27 | 47,250 | Nil | Nil | Nil |
| | 100,000 | 1.05 | 2-Sep-27 | 105,000 | | | |

Notes:
(1) For the compensation of Sue Ozdemir who was a NEO of the Company for 2021, see “Incentive Plan Awards” above.
(2) In-the-Money Options is the difference between the market value of the underlying securities on December 30, 2022, and the exercise price. The closing market price of the Company’s common shares as of December 30, 2022, was $2.10 per common share.
(3) Subsequent to December 31, 2022, on March 31, 2023, Mr. Godsy resigned as Executive Chairman and director. All vested options granted to Mr. Godsy will expire 90 days after his resignation, pursuant to the terms of the Company’s stock option plan.
(4) Subsequent to December 31, 2022, on March 13, 2023, Mr. Borowicz resigned as a director. All vested options granted to Mr. Borowicz will expire 90 days after his resignation, pursuant to the terms of the Company’s stock option plan.
(5) Ms. Bodkin is not standing for re-election at the Meeting. All vested options granted to Ms. Bodkin will expire 90 days after the Meeting, pursuant to the terms of the Company’s stock option plan.

**Incentive plan awards – value vested or earned during the year**

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specific period. An “incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan.

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to directors during the year ended December 31, 2022:

| Name[1] | Option-based awards – Value vested during the year ($)[2][3] | Share-based awards – Value vested during the year ($) | Non-equity incentive plan compensation – Value earned during the year ($) |
|---|---|---|---|
| Mark Godsy | Nil | Nil | Nil |
| M.A. Jill Bodkin | Nil | Nil | Nil |
| Frank Borowicz | Nil | Nil | Nil |
| Terence Johnsson | Nil | Nil | Nil |
| Rodney Copes | Nil | Nil | Nil |
| Juliette Wurmlinger | Nil | Nil | Nil |
| Alan Gaines | Nil | Nil | Nil |

Notes:

(1) For the compensation of Sue Ozdemir who was a NEO of the Company in 2022, see “Incentive Plan Awards” above.

(2) The aggregate dollar value that would have been realized if the options held had been exercised on the vesting dates.

(3) The actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise and the value of the Common Shares upon disposition of such Common Share.

(4) (4) Ms. Wurmlinger resigned as a director on April 1, 2022. All options previously granted to Ms. Wurmlinger expired unexercised 90 days following her resignation, pursuant to the Company’s stock option plan.

**SCHEDULE "B"**

# EXRO OMNIBUS LONG-TERM INCENTIVE PLAN

**Effective as of March 10, 2023**

TABLE OF CONTENTS

**EXRO TECHNOLOGIES INC.**
**OMNIBUS LONG-TERM INCENTIVE PLAN**

## ARTICLE 1
## PURPOSE

***Section 1.1*** *Purpose*

The purpose of this Omnibus Long-Term Incentive Plan (the "Plan") is to advance the interests of Exro Technologies Inc. (the "Corporation") by: (i) providing Eligible Persons (as defined below) with additional incentive; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Person to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Persons.

## ARTICLE 2
## INTERPRETATION

***Section 2.1*** *Defined Terms*

For the purposes of this Plan, the following terms have the following meanings:

(a) "Active Engagement" means any period in which a Participant who is not an employee of the Corporation or an Affiliate provides services to the Corporation or an Affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, a Participant's last day of providing services to the Corporation or an Affiliate, including at common law;

(b) "Affiliate" means any person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation; provided that with respect to the Corporation or the Employer, the term 'Affiliate' shall be limited to any direct or indirect Subsidiary of the Corporation with respect to which the Corporation beneficially owns more than 50% of the outstanding voting securities or has the power to elect a majority of its directors;

(c) "Applicable Period" has the meaning specified in Section 7.1(b)(ii);

(d) "Award Agreement" means, individually or collectively, a Stock Option Certificate, RSU Agreement, PSU Agreement and/or DSU Agreement, as the context requires;

(e) "Awards" means Options, RSUs, PSUs and/or DSUs granted to a Participant pursuant to the terms of this Plan;

(f) "Black-Out Period" means the period of time when, pursuant to the Corporation's policies in effect from time to time, securities of the Corporation may not be traded by Insiders or other specified persons, as applicable;

(g) "Board" means the board of directors of the Corporation as constituted from time to time;

(h) "Broker" has the meaning specified in Section 10.1(8);

(i) "Business Day" means any day of the year, other than a Saturday, Sunday, or any day on which Canadian or United States chartered banks are authorized or obligated by law to close for business in Calgary, Alberta, Phoenix, Arizona or New York, New York, respectively, or a day on which the

Toronto Stock Exchange or any other stock exchange on which the Corporation's Shares are listed is closed for trading;

(j) "Canadian Participant" shall mean a Participant who is employed in or resides in any of the provinces or territories of Canada;

(k) "Cash Equivalent" means:

(i) in the case of Share Units, the amount of money equal to the Market Price multiplied by the number of vested Share Units in the Participant's Account, net of any applicable taxes in accordance with Section 10.1(7), on the applicable settlement date; and

(ii) in the case of DSU Awards, the amount of money equal to the Market Price multiplied by the whole number of DSUs then recorded in the Participant's Account which the Participant requests to redeem, net of any applicable taxes in accordance with Section 10.1(7), on the date the Corporation receives, or is deemed to receive, the redemption notice;

(l) "Cause" shall mean, when used in connection with the termination of a Participant's Employment, unless otherwise provided in the Participant's Award Agreement or an Employment Agreement (in which event, as regards to such Participant, the definition of "Cause" or words to similar effect set out therein shall apply in place of the following definition), the termination of the Participant's Employment on account of (i) a failure of the Participant to substantially perform his or her duties (other than as a result of physical or mental illness or injury); (ii) the Participant's willful misconduct or gross negligence which is materially injurious to the Corporation or any of its Affiliates; (iii) a breach by a Participant of the Participant's fiduciary duty or duty of loyalty to the Corporation and its Affiliates; (iv) the Participant's unauthorized removal from the premises of the Corporation or an Affiliate of any document (in any medium or form) relating to the Corporation or an Affiliate or the customers or suppliers of, or investors in, the Corporation or an Affiliate; (v) a material breach by the Participant of a policy of the Corporation or an Affiliate to which the Participant is subject or a breach by the Participant of a code of conduct adopted from time to time by the Corporation; (vi) the commission by the Participant of an act of insubordination; (vii) the commission by the Participant of any indictable offence, felony or other serious crime involving moral turpitude; or (viii) with respect to Canadian Participants only, any act or omission of the Participant which would, pursuant to the *Canada Labour Code*, permit an employer to, without notice or provision of wages in lieu of notice, terminate the employment of an employee. Any rights the Corporation or an Affiliate may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights the Corporation or Affiliate may have under any other agreement with the Participant or at law or in equity. If, subsequent to a Participant's termination of Employment, it is discovered that such Participant's Employment could have been terminated for Cause, the Participant's Employment shall, at the election of the Board, in its sole discretion, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred;

(m) "Change of Control Event" means, unless the Board determines otherwise or as otherwise provided in an Award Agreement, the happening, in a single transaction or in a series of related transactions, of any of the following events:

(i) all or substantially all of the assets of the Corporation are sold, leased, exchanged, licensed, or otherwise disposed of in a single transaction or in a series of related transactions, other than to Affiliates of the Corporation;

(ii) any person or group of persons who are acting jointly or in concert pursuant to the provisions of the *Securities Act* (British Columbia) acquires, directly or indirectly, ownership of 50% or more of either the outstanding Shares or securities having aggregate voting power for the election of directors of the Corporation, assuming the conversion of all outstanding securities of the Corporation that could be converted into fully voting securities of the Corporation, including securities that are convertible under circumstances that do not then exist because of the nature of the current registered owner of such shares;

(iii) 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 (A) 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 (B) 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;

(iv) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, together with any new directors whose election or appointment by such Board, or whose nomination for election was approved by a vote of a majority of the directors of the Corporation then still in office who were entitled to vote and who were either directors of the Corporation at the beginning of such period or whose election or appointment, or whose nomination for election, was previously approved, cease for any reason to constitute a majority of the Board;

(v) a final determination by the Board or Shareholders to (A) liquidate all or substantially all of the assets of the Corporation, (B) wind up the Corporation's business, or (C) commence proceedings for such a liquidation, winding-up or re-arrangement pursuant to a plan of compromise or plan of arrangement under the *Companies' Creditors Arrangement Act*; or

(vi) notwithstanding any of the foregoing, any other matter specifically determined by the Board to be a Change of Control Event for purposes of this Plan;

(n) "Code" means the United States *Internal Revenue Code of 1986*, as amended;

(o) "Consultant" means an individual, other than an employee, executive officer, or director of the Corporation or of an Affiliate, that:

(i) is engaged to provide services to the Corporation or an Affiliate, other than services provided in relation to a distribution of the Corporation's securities;

(ii) provides the services under a written contract with the Corporation or an Affiliate; and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate;

and includes, for an individual consultant, a Corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

(p) "Corporation" means Exro Technologies Inc., a corporation existing under the laws of British Columbia, and includes any successor company thereto;

(q) "Disability Termination" means, when used in connection with the termination of a Participant's Employment, unless otherwise provided in an Award Agreement or an Employment Agreement (in which event as regards such Participant, the definition of "Disability Termination" or words of similar effect set out therein shall apply in place of the following definition), the termination of the Participant's employment due to their inability to substantially fulfil their duties on behalf of the Employer as a result of illness or injury for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, despite the provision of reasonable accommodations by the Employer;

(r) "Dividend Share Units" has the meaning ascribed thereto in Section 9.2 hereof;

(s) "DSU" means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant's Account in accordance with Article 6 hereof;

(t) "DSU Agreement" means a notice from the Corporation to a Participant evidencing the grant of DSUs and the terms and conditions thereof as the Board may approve from time to time;

(u) "DSU Redemption Deadline" has the meaning ascribed thereto in Section 6.3(1) hereof;

(v) "DSU Redemption Notice" has the meaning ascribed thereto in Section 6.3(1) hereof;

(w) "Effective Date" has the meaning specified in Section 12.15;

(x) "Eligible Person" has the meaning specified in Section 3.2;

(y) "Employed" or "Employment" means the period in which a Participant who is an employee or officer of the Employer performs work for the Employer. For certainty, "Employed" or "Employment" shall be deemed to include in the case of an employee (including an employee who is an officer), as applicable, (i) any period of vacation, disability (but only to the extent prior to a Disability Termination), or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation or labour code (if any). For certainty, "Employed" or "Employment" shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation or labour code (if any), or (ii) the Participant's last day of performing work for the Employer (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right;

(z) "Employer" means the Corporation or an Affiliate of the Corporation for which a Participant is Employed and in the event that the employer of a Participant is changed from the Corporation or an Affiliate to the Corporation or another Affiliate of the Corporation, as applicable, then the Corporation or such Affiliate shall become the "Employer" hereunder;

(aa) "Employment Agreement" means a written employment agreement by and between the Participant and the Employer, if any;

(bb) "Exercise Price" has the meaning specified in Section 4.2;

(cc) "Expiry Date" has the meaning specified in Section 4.4(1);

(dd) "Insider" means a "reporting insider" of the Corporation as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

(ee) "Investment Canada Act" means the *Investment Canada Act* (R.S.C., 1985, c. 28) and the regulations thereunder, as the same may be amended and supplemented from time to time;

(ff) “Legacy Plan” means the Corporation’s stock option plan dated June 7, 2021;

(gg) “Market Price” means at any date when the market value of Shares of the Corporation is to be determined: (a) if the Shares are listed on any Stock Exchange, the closing price for the Shares on such Stock Exchange on the last trading day before such date; or (b) if the Shares are not listed on any Stock Exchange, then the price determined by the Board using good faith discretion and, for U.S. Participants, in a manner consistent with the requirements of Section 409A;

(hh) “Maximum Issuable” has the meaning specified in Section 3.3(3).

(ii) “Non-U.S. Participant” means a Participant that is not a U.S. Participant;

(jj) “Option” means an option to purchase Shares granted to an Eligible Person pursuant to the terms of this Plan;

(kk) “Option Period” has the meaning specified in Section 4.4(1);

(ll) “Participant” means an Eligible Person to whom Awards have been granted and are outstanding;

(mm) “Participant’s Account” means an account maintained by the Corporation to reflect each Participant’s participation in RSUs, PSUs and/or DSUs under this Plan;

(nn) “Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance, the financial performance of the Corporation and/or of its Affiliates and/or achievement of corporate goals and strategic initiatives, and that may be used to determine the vesting of the Awards, when applicable;

(oo) “Performance Period” means the period determined by the Board pursuant to Section 5.3;

(pp) “Permitted Assign” means for any Participant:

(i) a trustee, custodian or administrator acting solely on behalf of, or for the benefit of such person or a spouse of such person;

(ii) a wholly owned or controlled holding entity of such person or the spouse of such person;

(iii) an RRSP or an RRIF of such person or the spouse of such person; or

(iv) a spouse of such person;

(qq) “Person” is to be interpreted broadly and includes an individual, partnership, corporation, company, trust, unincorporated association, joint venture or other entity, and pronouns are to have a similarly extended meaning

(rr) “Plan” means this Omnibus Long-Term Incentive Plan, as it may be amended from time to time;

(ss) “PSU” means a performance share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 5 hereof and subject to Performance Criteria and the terms and conditions of this Plan;

(tt) “PSU Agreement” means a notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof as the Board may approve from time to time;

(uu) “Restriction Period” means any period of time during which a Share Unit is not vested and the Participant holding such Share Unit remains ineligible to receive Shares as determined by the Board in its absolute discretion;

(vv) “Retirement” means the cessation of the employment of a Participant with the Corporation or an Affiliate which is deemed to be a retirement by a resolution of the Board in its sole discretion;

(ww) “RSU” means a restricted share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

(xx) “RSU Agreement” means a notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof as the Board may approve from time to time;

(yy) “Section 409A” means section 409A of the Code and the regulations and guidance promulgated thereunder;

(zz) “Security Based Compensation Arrangements” means any incentive plan or compensation mechanism of the Corporation (other than this Plan) that involves the issuance or potential issuance of the securities of the Corporation;

(aaa) “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including without limitation this Plan, but excludes any compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares in accordance with section 613(c) of the TSX Company Manual;

(bbb) “Share Unit” means an RSU and/or PSU, as the context requires;

(ccc) “Shares” means the common shares in the capital of the Corporation;

(ddd) “Share Unit Vesting Determination Date” means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU and/or PSU have been met, and as a result, establishes the number of RSUs and/or PSUs that become vested, if any;

(eee) “Shareholders” means the holders of voting shares in the capital of the Corporation, as the context requires;

(fff) “Stock Exchange” means the Toronto Stock Exchange, if or any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

(ggg) “Stock Option Certificate” means a notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, as the Board may approve from time to time;

(hhh) “Subsidiary” means a company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

(iii) “Tax Act” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

(jjj) “Termination Date” means the date on which a Participant ceases to be an Eligible Person as a result of the termination of their employment or retention with the Employer for any reason, including death, Retirement, resignation, or termination with Cause or without Cause, or in the event of a

Disability Termination. For the purposes of this definition and the Plan, a Participant's employment or retention with the Employer shall be considered to have terminated on the last day of the Participant's Employment or Active Engagement with the Employer, whether such date is selected by mutual agreement with the Participant, or unilaterally by the Participant or the Employer, and whether with or without advance notice to the Participant;

(kkk) "U.S. Participant" means any Participant who is a citizen or resident of the United States, or who is otherwise subject to taxation under the Code; and

(lll) "Withholding Obligations" has the meaning specified in Section 10.1(7).

In this Plan, words importing the singular number include the plural and vice versa and words importing a gender include any other gender. Unless otherwise specified, all references to money amounts are to United States currency and all section references are to sections of this Plan.

## ARTICLE 3
## PURPOSE AND ADMINISTRATION

***Section 3.1*** *Administration*

(1) This Plan shall be administered and interpreted by the Board, or where the Board has delegated the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board, such committee or member. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable, except as otherwise determined by the Board.

(2) Subject in each case to the terms and conditions set forth in this Plan and to the receipt of any applicable Stock Exchange approvals, the Board is authorized to provide for the granting, exercise or settlement and method of exercise or settlement of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines, and shall have the sole and absolute discretion to: (i) designate Participants; (ii) determine the type, size, and terms, and conditions (including Performance Criteria) of Awards to be granted; (iii) determine the method by which an Award may be canceled, forfeited, or suspended; (iv) determine the circumstances under which the delivery of cash with respect to an Award may be deferred either automatically or at the Participant's or the Board's election; (v) interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in the Plan, any Award Agreement and any Award granted under, the Plan; (vi) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Board shall deem appropriate for the proper administration of the Plan; (vii) accelerate the vesting, delivery, or exercisability of, or payment for or lapse of restrictions on, or waive or impose any condition, restriction or requirement in respect of, Awards (including for greater certainty in respect of any leave of absence of a Participant); (viii) with respect to any Share Unit, add provisions permitting for the granting of a dividend equivalent subject to the same vesting conditions applicable to the related Share Units; and (ix) make any other determination and take any other action that the Board deems necessary or desirable for the administration of the Plan or to comply with any applicable law.

(3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Award granted pursuant to this Plan.

(4) Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations, and other decisions regarding this Plan or any Award or any documents evidencing any Award granted pursuant to this Plan shall be within the sole discretion of the Board, may be made at any time, and shall be final, conclusive, and binding upon all persons or entities, including, without limitation, the Corporation, any Affiliate, any Participant, any holder or beneficiary of any Award, and any Shareholder.

(5) The day-to-day administration of this Plan may be delegated to such officers and employees of the Corporation as the Board determines.

***Section 3.2*** *Eligible Persons*

(1) Officers, employees, and Consultants of or to the Corporation or a Subsidiary providing ongoing services to the Corporation and/or its Subsidiaries shall be eligible to receive Options, RSUs and PSUs, and non-employee directors of the Corporation shall be entitled to receive DSUs and (subject to the limits set out in Section 3.3(8)), Options (such officers, employees, Consultants, and directors collectively, "Eligible Persons").

(2) Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Person's relationship, employment or appointment with the Corporation or an Affiliate.

(3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to this Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation or an Affiliate.

***Section 3.3*** *Shares Reserved*

(1) Subject to Section 9.1, the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.

(2) The Corporation will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.

(3) Subject to Section 3.3(6), the aggregate number of Shares issuable under this Plan (the "Maximum Issuable") shall not exceed 10% of the issued and outstanding Shares.

(4) Any Shares subject to an Award which has been exercised or settled in cash by a Participant or for any reason is cancelled, forfeited, or terminated without having been exercised or settled in Shares will again be available for grants under this Plan. Fractional shares will not be issued and will be treated as specified in Section 10.1(4).

(5) All Shares issued from treasury pursuant to the exercise or the vesting of Awards granted under this Plan shall, when the applicable Exercise Price or purchase price (in respect of the settlement of RSUs, PSUs or DSUs), if any, is received by the Corporation in connection therewith, be so issued as fully paid and non-assessable Shares.

(6) Shares underlying Options issued and outstanding under the Legacy Plan shall be included in determining the Maximum Issuable under Section 3.3(3). For the avoidance of doubt, in no event shall any further awards be issued pursuant to the Legacy Plan from and after the Effective Date.

(7) The number of Shares that are (i) issued to Insiders within any one-year period, or (ii) issuable to Insiders at any time, in each case, under this Plan alone or when combined with all other Share Compensation Arrangements, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.

(8) Despite the foregoing and for greater certainty, the total annual grant to any one non-employee director under all Share Compensation Arrangements shall not exceed an aggregate grant value of $100,000 in Options and $150,000 in equity.

# ARTICLE 4
# OPTIONS

***Section 4.1*** *Grants of Options*

(1) Options will be evidenced by a Stock Option Certificate, which shall be in a form approved for use under this Plan from time to time.

(2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.1(2) and Section 4.3, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

(3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of any Stock Exchange require such approval. Despite the foregoing, no Option will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.

***Section 4.2*** *Exercise Price*

An Option may be exercised at a price (the "Exercise Price") established by the Board at the time that the Option is granted. The Exercise Price shall not be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 9.1 hereof.

***Section 4.3*** *Vesting*

Subject to Section 7.1, unless as otherwise provided in a Participant's Employment Agreement or Stock Option Certificate or as otherwise determined by the Board, in its sole discretion, all Options granted under this Plan will vest over a four-year period following the date of the grant, with twenty percent (20%) of the total number of Options forming part of any grant to vest on the date of grant and thereafter on each anniversary date after the date of the grant. Options may be subject to additional vesting conditions as may be determined by the Board at the time of grant, including performance vesting conditions.

***Section 4.4*** *Exercise of Options*

(1) The period during which an Option may be exercised (the "Option Period") will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:

(a) all Options expire on the date (the "Expiry Date") set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding ten (10) years from the date the Option is granted;

(b) Options may not be exercised until they have vested;

(c) the Option Period will be automatically reduced in accordance with Section 7.1 upon the occurrence of any of the events referred to in such section; and

(d) no Option in respect of which Shareholder approval is required under the rules of any Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.

(2) Despite any other provision of this Plan, if the Expiry Date of an Option falls during a Black-Out Period or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from

exercising an Option due to a Black-Out Period (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Expiry Date of such Option will be automatically extended to the tenth ($10^{th}$) Business Day following the date the relevant Black-Out Period is lifted, terminated or removed (provided that, for U.S. Participants such extension does not violate Section 409A). For the avoidance of doubt, if, solely with respect to a U.S. Participant, such an extension would violate Section 409A, then no extension is allowed under this Section 4.4(2).

(3) Subject to Section 10.1(7) and Section 4.5, the Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.

(4) Subject to Section 10.1(7), upon the exercise of Options pursuant to this Section 4.4, the Corporation will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised.

(5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by notice given to the Corporation as required by the Board from time to time.

***Section 4.5*** *Cashless Exercise*

Notwithstanding Section 4.4(3), subject to any conditions or limitations established by the Board, a grant of Options may specify that the Exercise Price will be payable, at the option of the Participant and with the agreement of the Board, in the form of: (i) a Broker assisted "cashless exercise" pursuant to which the Corporation or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a Broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required Withholding Obligations against delivery of the Shares to settle the applicable trade in accordance with Section 10.1(7); or (ii) an "option surrender" procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of a surrender of an Option that are needed to pay for the Exercise Price and all applicable required Withholding Obligations, whereby the Participant elects to receive (a) a cash payment equal to the Market Price of the Shares as at the date of surrender less the aggregate Exercise Price and all applicable required Withholding Obligations, or (b) that number of Shares calculated using the following formula, provided that arrangements satisfactory to the Corporation have been made to pay any applicable Withholding Obligations:

$$X = (Y * (A-B)) / A$$

*Where*:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be surrendered

A = the Market Price of the Shares as at the date of the surrender

B = the Exercise Price of such Options

In all events of a cashless exercise or option surrender pursuant to this Section 4.5: (a) the Participant shall comply with Section 10.1(7) of the Plan with regards to any applicable required Withholding Obligations; and (b) shall comply with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise.

## ARTICLE 5
## SHARE UNITS

***Section 5.1*** *Nature of Share Units*

A Share Unit is an Award of RSUs or PSUs entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions, limitations and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established Performance Criteria.

***Section 5.2*** *Share Unit Awards*

(1) Subject to the provisions of this Plan, or any approval of Shareholders or Stock Exchange approval which may be required, the Board shall, from time to time, in its sole discretion: (i) designate the Eligible Persons who may receive RSUs and/or PSUs under this Plan; (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Person and the date or dates on which such RSUs and/or PSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, in each case to the terms and conditions prescribed in this Plan and in any RSU Agreement or PSU Agreement, as applicable. For greater certainty, the Board may reduce or eliminate any Restriction Period in respect of an RSU or PSU from time to time and at any time and for any reason, including but not limited to circumstances involving death or Disability Termination of a Participant.

(2) Each RSU will be evidenced by an RSU Agreement that sets forth the restrictions, limitations and conditions for each RSU and may include, without limitation, the vesting and terms of the RSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the RSUs will comply with any provisions respecting RSUs in the income tax 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 the rules of any Stock Exchange having authority over the Corporation.

(3) Each PSU will be evidenced by a PSU Agreement that sets forth the restrictions, limitations and conditions for each PSU and may include, without limitation, the applicable Performance Period and Performance Criteria, vesting and terms of the PSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the PSUs will comply with any provisions respecting RSUs in the income tax 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 the rules of any Stock Exchange having authority over the Corporation.

(4) Any RSUs or PSUs that are awarded to an Eligible Person who is a resident of Canada or employed in Canada (each for purposes of the Tax Act) may be structured so as to be considered to be a plan described in section 7 of the Tax Act and shall in any event be structured in such other manner to ensure that such Award is not a "salary deferral arrangement" as defined in the Tax Act (or any successor to such provisions).

(5) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury or purchased on the secondary market; (ii) to receive the Cash Equivalent of one Share; (iii) to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares, as the Board may determine in its sole discretion on settlement; or (iv) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.

(6) The applicable settlement period in respect of a particular Share Unit shall be determined by the Board. Except as otherwise provided in the Award Agreement or any other provision of the Plan, all vested RSUs and PSUs shall be settled as soon as practicable following the Share Unit Vesting Determination Date, as applicable, but in all cases (unless otherwise provided in the Award Agreement) prior to (i) December 31$^{st}$ of the third year following the date of grant of Share Unit, if such Share Unit shall be settled by payment of the Cash Equivalent or through purchases by the Corporation on the Participant's behalf on the open market, or (ii) December 31$^{st}$ of the tenth year following the date of grant of Share Unit, if the RSU Agreement or PSU Agreement, as applicable, provides that such Share Unit shall be settled by issuance of Shares from treasury. Following the receipt of such settlement, the PSUs and RSUs so settled shall be of no value whatsoever and shall be removed from the Participant's Account. For Participants who are U.S. Participants,

settlement of RSUs and PSUs shall occur as soon as practicable following vesting of the Award, or in such other manner as does not result in the imposition of tax on such Participant by operation of Section 409A.

***Section 5.3*** *Performance Criteria and Performance Period Applicable to PSU Awards*

For each Award of PSUs, the Board shall establish (i) any Performance Criteria and other vesting conditions, and (ii) the period in which any Performance Criteria and other vesting conditions must be met (the "Performance Period"), in order for such PSUs to be considered vested and for the Participant to be entitled to have his or her PSUs settled in accordance with Section 5.2(5) above in exchange for all or a portion of the PSUs held by such Participant.

## ARTICLE 6
## DEFERRED SHARE UNITS

***Section 6.1*** *Nature of DSUs*

A DSU is a unit granted to directors of the Corporation representing the right to receive a Share or the Cash Equivalent, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing service as a director (or other service relationship), vesting terms and/or achievement of pre-established Performance Criteria, as applicable.

***Section 6.2*** *DSU Awards*

(1) Subject to the Corporation's director compensation policies determined by the Board from time to time, each director who is an Eligible Person may receive all or a portion of his or her annual retainer fee, if applicable, in the form of a grant of DSUs in each fiscal year. The number of DSUs shall be calculated as the amount of the director's annual retainer fee to be paid by way of DSUs divided by the Market Price on the date of grant. At the discretion of the Board, fractional DSUs will not be issued, and any fractional entitlements will be rounded down to the nearest whole number. As applicable, any election made by a director who is an Eligible Person to receive an additional portion of his or her annual retainer fee in the form of DSUs must be irrevocably made, completed, signed and delivered to the Corporation by the end of the fiscal year preceding the fiscal year to which such election is to apply. Subject to the Corporation's director compensation policies and any minimum amount of the directors' annual retainer fee that may be required to be received in the form of DSUs, if no such election is made in respect of a particular fiscal year, an Eligible Person will receive all or the remainder, as applicable, of the director's annual retainer fee in cash.

(2) Each DSU will be evidenced by an DSU Agreement that sets forth the restrictions, limitations and conditions for each DSU and may include, without limitation, the vesting and terms of the DSUs and the provisions applicable in the event service terminates, and shall contain such terms that may be considered necessary in order that the DSUs will comply with any provisions respecting DSUs in the income tax 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 the rules of any Stock Exchange having authority over the Corporation.

(3) Any DSUs that are awarded to a person who is a resident of Canada or employed in Canada (each for purposes of the Tax Act) shall be structured so as to be considered to be a plan described in section 7 of the Tax Act or to meet requirements of paragraph 6801(d) of the Income Tax Regulations adopted under the Tax Act (or any successor to such provisions).

(4) Subject to vesting and other conditions and provisions set forth herein and in the DSU Agreement, the Board shall determine whether each DSU awarded shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; (iii) to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares, as the Board may determine in its sole discretion on redemption; or (iv) to entitle the Participant to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.

***Section 6.3*** *Redemption or Settlement of DSUs*

(1) Unless otherwise specified in a Grant Agreement, a Non-U.S. Participant shall be entitled to redeem his or her DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the earlier of (i) the date that is not later than the 90th date following the Termination Date, or such shorter redemption period set out in the relevant DSU Agreement, and (ii) December 31st of that calendar year, and which period (the "DSU Redemption Deadline"), by providing a written notice of settlement to the Corporation setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement, if applicable (the "DSU Redemption Notice"). In the event of the death of a director who is not a U.S. Participant, the DSU Redemption Notice shall be filed by the administrator or liquidator of the estate.

(2) If a DSU Redemption Notice is not received by the Corporation on or before the DSU Redemption Deadline, the Participant shall be deemed to have delivered a DSU Redemption Notice on the DSU Redemption Deadline and, if not otherwise set out in the DSU Agreement, the Board shall determine the number of DSUs to be settled by way of Shares, the Cash Equivalent or a combination of Shares and the Cash Equivalent and delivered to the Participant or administrator or liquidator of the estate of the Participant, as applicable.

(3) The settlement of DSUs held by a Participant who is a U.S. Participant shall be made in accordance with the relevant DSU Agreement and any applicable deferral election. Such settlement shall comply with or be exempt from Section 409A.

## ARTICLE 7
## TERMINATION OF SERVICE

***Section 7.1*** *Termination of Service*

Except as otherwise set out in a Participant's Employment Agreement or Award Agreement or as otherwise determined by the Board, in its sole discretion:

(a) if a Participant (A) ceases to be an Eligible Person as a result of his or her resignation or Retirement, (B) is no longer serving as a director of the Corporation, or (C) ceases to be an Eligible Person as a result of such Participant's Active Engagement or Employment having been terminated without Cause:

(i) each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date;

(ii) the Participant shall be entitled to receive, and the Corporation will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs, PSUs and or DSUs held by the Participant on the Termination Date; and

(iii) each unvested Award held by the Participant will automatically terminate and become void on the Termination Date;

(b) if a Participant ceases to be an Eligible Person by reason of death or Disability Termination:

(i) each unvested Option held by such Participant will continue to vest for a period of 12 months from the Termination Date and all vested Options, including those that vest during such 12 month period, held by such Participant will continue to be exercisable for a period of up to the earlier of 12 months from the Termination Date and the original Expiry Date of the Option, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void; and

(ii) all RSUs, PSUs and/or DSUs will continue to vest for a period of 12 months from the Termination Date or until the vesting date set out in the Participant's Award Agreement (whichever is shorter and being the "Applicable Period") and settle on a *pro rata* basis based on the number of months of Active Engagement or Employment of the Participant between the grant date of the RSU, PSU and/or DSU and the last date of the Applicable Period, after which all remaining unvested and unsettled RSUs, PSUs and DSUs granted to such Participant shall terminate and become void; and

(c) if a Participant ceases to be an Eligible Person as a result of such Participant's Active Engagement or Employment having been terminated for Cause:

(i) each Option, whether vested or unvested will automatically terminate and become void on the Termination Date; and

(ii) the Participant shall be entitled to receive, and the Corporation will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs, PSUs and/or PSUs held by the Participant on the Termination Date.

## ARTICLE 8
## CHANGE OF CONTROL

***Section 8.1*** *Change of Control*

(1) Despite any other provision of this Plan or any Award Agreement and subject to Section 12.8 and any applicable Stock Exchange approvals, in the event of a Change of Control Event, the Board may take such action as the Board in its sole discretion considers appropriate in the circumstances, including, without limitation, (i) changing the vesting or manner of settlement of any Award, (ii) changing the Expiry Date or term of any Award, or (iii) providing for the substitution or replacement of Awards, including with Awards of the surviving Corporation resulting from the Change of Control Event (or any Affiliate thereof) or the potential successor (or any Affiliate thereto).

(2) No fractional Shares or other security will be issued upon the exercise or settlement of any Award and accordingly, if as a result of a Change of Control Event, a Participant would become entitled to a fractional Share or other security, such Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(3) Despite anything else to the contrary in this Plan or any Award Agreement, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, subject to applicable law (including the requirements of Section 409A), the Board has the power, in its sole discretion, to accelerate the vesting of Awards and to permit Participants to conditionally exercise or settle their Awards, as applicable, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 8.1(3) is not completed within the time specified (as the same may be extended), then despite this Section 8.1(3) or the definition of "Change of Control Event": (i) any conditional exercise or settlement of vested Awards, as applicable, will be deemed to be null, void and of no effect, and such conditionally exercised or settled Awards will for all purposes be deemed not to have been exercised or settled, and (ii) Awards which vested pursuant to this Section 8.1(3) will be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares and the original terms applicable to such Awards will be reinstated.

(4) If the Board has, pursuant to the provisions of Section 8.1(3), permitted the conditional exercise or settlement of Awards in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Awards not exercised or settled (including all unvested Awards), as applicable.

## ARTICLE 9
## ADJUSTMENTS AND AMENDMENTS

***Section 9.1*** *Adjustment*

Subject to any applicable Stock Exchange approvals, in the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to Shareholders, or any other change in the Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion, subject to regulatory approval, may deem appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to the Plan; and (ii) the number or kind of Shares or other securities subject to unexercised Awards previously granted and the exercise price of those Awards provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. The existence of any Awards does not affect in any way the right or power of the Corporation or an Affiliate or any of their respective Shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the capital structure or the business of, or any amalgamation, merger or consolidation involving, to create or issue any bonds, debentures, shares or other securities of, or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of or any sale or transfer of all or any part of the assets or the business of, or to effect any other corporate act or proceeding relating to, whether of a similar character or otherwise, the Corporation or such Affiliate, whether or not any such action would have an adverse effect on the Plan or any Award granted hereunder.

***Section 9.2*** *Dividend Share Units*

Unless the Board determines otherwise at the time of grant or issuance of the Award, when normal cash dividends (other than stock dividends) are paid on Shares, Participants shall receive additional DSUs, RSUs and/or PSUs, as applicable ("Dividend Share Units") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of DSUs, RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Price on the dividend payment date, which Dividend Share Units shall be in the form of DSUs, RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 9.2 shall be subject to the same vesting conditions and settlement terms as applicable to the related DSUs, RSUs and/or PSUs in accordance with the respective Award Agreement.

***Section 9.3*** *Amendment or Discontinuance*

(1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Award granted under this Plan and any Award Agreement or other agreement or document relating to it, provided that no such suspension, termination, amendment or revision will be made:

(a) except in compliance with applicable law and with the prior approval, if required, of (i) any Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or (ii) the Shareholders; and

(b) in the case of an amendment or revision to an outstanding Award, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.

(2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights granted pursuant to this Plan remain outstanding and, despite the termination of

this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Awards as they would have been entitled to make if this Plan were still in effect.

(3) Subject to any applicable rules of any Stock Exchange and Section 9.3(1), the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make amendments to this Plan or any Awards, which may include but are not limited to:

(a) any amendment to the vesting and assignability provisions of this Plan and any Award;

(b) any amendment regarding the effect of any termination of a Participant's employment, engagement, contract, service or office;

(c) any amendment which accelerates the date on which any Award may be exercised under this Plan;

(d) any amendment to the definition of an Eligible Person;

(e) any amendment to add provisions permitting for the granting of cash-settled Awards, a form of financial assistance, or clawback and any amendment to a cash-settled Award, financial assistance, dividend equivalent or clawback provision which is adopted;

(f) any amendment necessary to comply with applicable law or the requirements of any Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders;

(g) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of this Plan or any agreement ancillary thereto, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;

(h) any amendment regarding the administration of this Plan; and

(i) any other amendment, fundamental or otherwise, that does not require the approval of Shareholders under Section 9.3(4).

(4) Shareholder approval is required for the following amendments to this Plan:

(a) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under this Plan as set out in Section 3.3(3) and Section 11.1(1)(c)(i), other than an adjustment pursuant to Section 9.1;

(b) any (i) reduction in the Exercise Price or purchase price (in respect of the settlement of RSUs, PSUs and/or DSUs) of an Award, as applicable, (ii) extension of the term of an Award, including the Expiry Date of an Option, benefitting an Insider, except in case of an extension due to a Black-Out Period or (iii) amendment providing for the cancellation and reissue of Awards, other than an adjustment pursuant to Section 9.1;

(c) any amendment to remove or to exceed the insider participation limit set out in Section 3.3(7);

(d) any amendment which would permit Options to be transferable or assignable other than by will or the laws of descent and distribution (provided that Options may be transferred or assigned by a Participant to a Permitted Assign with the Board's prior written consent and subject to such conditions as the Board may stipulate, as set out in Section 10.1(3)); and

(e) any amendment to Section 9.3(3) or Section 9.3(4).

## ARTICLE 10
## GENERAL CONDITIONS

***Section 10.1*** *General Conditions Applicable to Awards*

Each Award, as applicable, shall be subject to the following conditions:

(1) No Rights as a Shareholder – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor, or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.

(2) 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.

(3) Non-Transferability – Except as set forth herein, Awards are not transferable. Awards may be exercised only by:

(a) the Participant to whom the Awards were granted;

(b) with the Board's prior written approval and subject to such conditions as the Board may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;

(c) upon the Participant's death, by the legal representative of the Participant's estate; or

(d) 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.

(4) Fractional Shares – No fractional Shares will be issued upon the exercise or settlement of Awards granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of an Award, or from an adjustment pursuant to Section 9.1, such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(5) No Guarantee – For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any Awards in the future nor shall it entitle the Participant to receive future grants. No amount will be paid to or in respect of a Participant under the Plan or pursuant to any other arrangement, and no Awards will be granted to such Participant to compensate for any downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon or in respect of the Participant for such purpose.

(6) Quotation of Shares – So long as the Shares are listed on any Stock Exchange, the Corporation must apply to such Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise or

settlement of all Awards granted under this Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on such Stock Exchange.

(7) Tax Withholdings – Despite any other provision contained in this Plan, in connection with the exercise or settlement of an Award by a Participant from time to time, the Corporation may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise or settlement of such Participant's Awards, such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise or settlement of Awards or other participation in this Plan ("Withholding Obligations"). The Corporation has the right, in its sole discretion, to satisfy any Withholding Obligations by:

(a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise or settlement of Awards as is sufficient to fund the Withholding Obligations;

(b) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Corporation, whether under this Plan or otherwise;

(c) requiring the Participant, as a condition of exercise to (i) remit the amount of any such Withholding Obligations to the Corporation in advance; (ii) reimburse the Corporation for any such Withholding Obligations; or (iii) cause a Broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Corporation; and/or

(d) making such other arrangements as the Corporation may reasonably require.

(8) Broker Assisted Exercise – The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "Broker"), under Section 4.5 or under any other provision of the Plan will be made on any Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his or her behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise. The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

(9) Clawback – In the sole discretion of the Board, all Awards granted under the Plan, and Shares delivered upon exercise or settlement of vested Awards or the Cash Equivalent thereof, are subject to cancellation, recoupment, rescission, payback, clawback and recapture in accordance with (a) the Corporation's applicable clawback policies in effect from time to time, and (b) any applicable clawback or similar provisions in the Participant's (i) employment agreement, and/or (ii) Award Agreement, in each case to the extent permitted by law. By accepting any monetary amounts or Awards hereunder a Participant agrees and consents to the Corporation's application, implementation and enforcement of (a) any such clawback policy or any similar policy established by the Board that may apply to the Participant and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Corporation may take such actions as are necessary to effectuate such clawback policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. To the extent that the terms of this Plan and any clawback policy or any similar policy conflict, then the terms of such clawback policy or other policy shall prevail. Unless this section is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a Participant

to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Corporation or a Subsidiary or parent of the Corporation.

(10) Termination – No Participant shall have any entitlement to damages or other compensation arising from or related to not receiving any Awards which would have, but for this Plan or any Award Agreement, vested or accrued to the Participant after such Participant's Termination Date, including but not limited to damages in lieu of notice of termination at common law. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

(11) Acceptance of Terms – Participation in the Plan by any Participant shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant's agreement to be bound thereby.

## ARTICLE 11
## GRANTS TO U.S. PARTICIPANTS

***Section 11.1*** *Additional Requirements for U.S. Participants*

(1) In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to any Option granted to a U.S. Participant:

(a) with respect to payments made pursuant to Section 4.5 of this Plan, the fair market value of one Share as of a particular date shall be the Market Price, as determined under Section 2.1(hh) of this Plan, applied to such Option's date of grant or date of exercise, as applicable, and shall be calculated without regard to any discount permitted by any Stock Exchange;

(b) the Board may use its reasonable efforts to ensure that any adjustment with respect to the Exercise Price for and number of Options subject to an Award (including, but not limited to, the adjustments contemplated under Section 9.1 above) granted to a U.S. Participant pursuant to this Plan will be made so as to comply with, and not create any adverse consequences under, sections 424 and 409A of the Code; and

(c) Options granted to U.S. Participants are that are intended to qualify as an "incentive stock options" within the meaning of section 422 of the Code ("**Incentive Stock Options**") shall, notwithstanding any other provision of this Plan to the contrary, be subject to the following limitations and requirements:

(i) The maximum number of Options reserved for issuance under this Plan and under any other Security Based Compensation Arrangement shall not exceed 10% of the issued and outstanding shares of the Corporation as of May 23, 2023.

(ii) An Incentive Stock Option may be granted only to employees (including a director or officer who is also an employee) of the Corporation (or of any parent or Subsidiary of the Corporation). For purposes of this Section 11.1, the term "Optionee," as applied to a U.S. Participant, shall mean a person who is an employee for purposes of the Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the Code;

(iii) The Corporation will not grant Incentive Stock Options in which the aggregate Market Price (determined as of the date of grant) of the Options with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (under this Plan and all other plans of the Corporation and of any parent or Subsidiary of the Corporation) exceeds US$100,000 or any limitation subsequently set forth in section 422(d) of the Code;

(iv) The Exercise Price payable per Option upon exercise of an Incentive Stock Option will not be less than 100% of the Market Price of an Option on the date of grant of such Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% shareholder, the Exercise Price payable per Option upon exercise of such Incentive Stock Option will be not less than 110% of the Market Price of a Share on the date of grant of such Incentive Stock Option;

(v) An Incentive Stock Option will terminate and no longer be exercisable no later than ten years after the date of grant of such Incentive Stock Option; *provided*, however, that in the case of a grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% shareholder, such Incentive Stock Option will terminate and no longer be exercisable no later than five years after the date of grant of such Incentive Stock Option;

(vi) If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Corporation (or by any parent or Subsidiary of the Corporation) for any reason, whether voluntary or involuntary, other than death, permanent disability or cause, such Incentive Stock Option shall cease to qualify as an Incentive Stock Option as of the earlier of (i) the date that is three months after the date of cessation of employment or (ii) the expiration of the term of such Incentive Stock Option. If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Corporation (or by any parent or Subsidiary of the Corporation) because of the death or permanent disability of such U.S. Participant, such U.S. Participant, then such Incentive Stock Option shall cease to qualify as an Incentive Stock Option as of the earlier of (i) the date that is one year after the date of death or permanent disability, as the case may be, or (ii) the expiration of the term of such Incentive Stock Option. Nothing herein is intended to require the Option to remain outstanding any longer than as required under Section 4.4 of the Plan. For purposes of this Section 11.1, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the Code;

(vii) An Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant;

(viii) An Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned or pledged by such U.S. Participant, except by will or by the laws of descent and distribution; and

(ix) No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Corporation.

***Section 11.2*** *Additional Requirements for California Participants*

(1) In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to any Option granted to a person or entity that receives an Option issued in reliance on Section 25102(o) of the California Corporations Code (each, a "California Participant").

(a) <u>Exercise Period of Option</u>. Notwithstanding anything stated herein to the contrary, no Option granted to a California Participant shall be exercisable on or after the 10th anniversary of the date of grant.

(b) Non-transferable. Options granted to California Participants are non-assignable and non-transferable except by will, by the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the U.S. Securities Act.

(c) Adjustment. Notwithstanding anything stated herein to the contrary, the Board shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

(d) Termination of Employment. Unless a California Participant's employment is terminated for Cause, the right to exercise an Option awarded under the Plan in the event of termination of employment continues until the earlier of: (i) the expiry date set forth in the applicable Option agreement or (ii) (A) if termination was caused by death or Permanent Disability, at least six months from the date of termination and (B) if termination was caused other than by death or Permanent Disability, at least thirty days from the date of termination.

"Permanent Disability" for the purposes of this Section 11.2 shall mean the inability of a California Participant, in the opinion of a qualified physician acceptable to the Corporation, to perform the major duties of the California Participant's position with the Corporation because of the sickness or injury of such California Participant.

(e) Grant of Options. Options under the Plan shall be granted by the earlier of: (i) ten years from the date the Plan is adopted; or (ii) ten years from the date the Plan is approved by the Corporation's security holders.

## ARTICLE 12
## MISCELLANEOUS

***Section 12.1*** *Right to Adopt Other Share Compensation Arrangements*

Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required Shareholder or Stock Exchange approval.

***Section 12.2*** *Right to Issue Other Shares*

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

***Section 12.3*** *Exemption from Section 409A*

Despite any provision of the Plan to the contrary, it is intended that Awards granted under the Plan to U.S. Participants be exempt from or comply with the requirements of Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with such intention. In furtherance of the foregoing and notwithstanding anything to the contrary in the Plan or otherwise, any Option issued to a U.S. Participants shall have an Exercise Price that is no less than "fair market value" on the grant date which value shall be determined in accordance with Section 409A.

***Section 12.4*** *Discretionary Nature of Awards*

This Plan does not grant any Participant or any employee of the Corporation or its Affiliates the right or obligation to serve or continue to serve as a Consultant, director, officer or employee, as the case may be, of the Corporation or its Affiliates. The awarding of Awards to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in this Plan. The grant of an Award to, or the exercise or settlement of an Award by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Awards under this Plan.

***Section 12.5*** *Future Value of Shares*

The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale. The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any present or future income tax matters affecting the Participant resulting from the grant or exercise or settlement of an Award and/or transactions in the Shares. Neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents will 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 under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

***Section 12.6*** *No Rights to Property or Assets of the Corporation*

Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Corporation or Affiliate. The Corporation's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money and/or issue Shares in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.

***Section 12.7*** *Foreign Jurisdictions*

The Board may adopt such rules or regulations and vary the terms of this Plan and any Award issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A.

***Section 12.8*** *Compliance with Legislation*

(1) This Plan, the terms of the issue or grant of, and the grant and exercise or settlement of, any Award under this Plan, and the Corporation's obligation to sell and deliver Shares upon the exercise or settlement of Awards, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations, including the rules and regulations of any Stock Exchange, or any condition of such approvals.

(2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations and such representations or agreements as the Corporation or counsel for the Corporation may consider appropriate to avoid violation of applicable securities laws.

(3) No Award will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of Shares under this plan in violation of this provision is void.

(4) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and any funds

paid to the Corporation in connection with the exercise or settlement of such Award will be returned to the applicable Participant as soon as practicable.

(5) Any Awards issued to a Participant that is a U.S. Participants shall be subject to the special terms and conditions set forth in Addendum A hereto, or as otherwise noted in the Plan.

(6) Any Awards granted to a Participant that is resident in the United States or a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended the "U.S. Securities Act"), or all Awards granted to any Participant under the Plan at such time as the Corporation ceases to be a "foreign private issuer" (as defined under Regulation S under the U.S. Securities Act) shall be subject to the special terms and conditions set forth in Addendum B hereto, or as otherwise noted in the Plan.

***Section 12.9*** *Use of an Administrative Agent and Trustee*

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

***Section 12.10*** *Notice*

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in 7450 *64 St* SE, *Calgary*, AB, T2C 5B1, Attention: CFO; or if to a Participant, to such Participant by electronic mail at his or her email address, by hand delivery or courier at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

***Section 12.11*** *Successors and Assigns*

The Plan shall be binding on all successors and assigns of the Corporation and a Participant, including without limitation, the personal legal representatives of a Participant, or any receiver or trustee in bankruptcy or representative of the Corporation's or Participant's creditors.

***Section 12.12*** *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.

***Section 12.13*** *No Liability*

No member of the Board, or any committee or other subdelegate 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.

***Section 12.14*** *Governing Law*

This Plan is governed by the laws of British Columbia and the federal laws of Canada applicable therein.

***Section 12.15*** *Effective Date*

This Plan has been effective as of March 10, 2023, as amended or amended and restated from time to time (the "Effective Date").

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**ADDENDUM A FOR U.S. PARTICIPANTS**
**EXRO TECHNOLOGIES INC.**
**OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

1. Definitions

"Separation from Service" means, with respect to a U.S. Participant, any event that may qualify as a separation from service under U.S. Treasury Regulation Section 1.409A-1(h).

"Shares" means, with respect to a U.S. Participant, a common share in the capital of the Corporation.

"Specified Employee" has the meaning set forth in U.S. Treasury Regulation Section 1.409A-1(i).

2. Settlement and Termination of Employment

(i) Notwithstanding anything to the contrary in the Plan, and except as otherwise set forth in an Award Agreement or otherwise, any RSUs or PSUs issued to a U.S. Participant shall be settled within thirty (30) days following the earlier of (a) the scheduled vesting date of the Award, which shall be set forth in writing in the applicable Award Agreement, or (b) any earlier vesting date as a result of a Change of Control Event, termination of employment or other circumstance, as specified in the Plan or Award Agreement. In addition, for the avoidance of doubt, in no event shall a U.S. Participant have discretion with respect to the timing of the settlement date of any RSUs or PSUs.

(ii) Subject to Section 10.1(7), in connection with the settlement of any Share Units issued to a U.S. Participant, the Corporation shall (a) issue from treasury the number of Shares that is equal to the number of vested Share Units held by the U.S. Participant (rounded down to the nearest whole number), as fully paid and non-assessable Shares, (b) deliver to the U.S. Participant an amount in cash (net of the applicable tax withholdings) equal to the number of vested Share Units held by the U.S. Participant multiplied by the Market Price as at such date, or (c) a combination of (a) and (b). Upon settlement of such Share Units, the corresponding number of Share Units shall be cancelled, and the U.S. Participant shall have no further rights, title or interest with respect thereto.

3. Compliance with 409A

(i) Each grant of Share Units to a U.S. Participant is intended to be exempt from Code Section 409A. However, to the extent any Award is subject to Section 409A, then all payments to be made upon a U.S. Participant's Termination Date shall only be made upon a Separation from Service.

(ii) If on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Participant's Separation from Service, to the extent subject to Section 409A, shall be postponed until the date that is six months following the U.S. Participant's Separation from Service, or, if earlier, the U.S. Participant's death. Following any applicable six-month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A.

(iii) In the event that the timing of payments in respect of any Award that would otherwise be considered "nonqualified deferred compensation" subject to Section 409A would be accelerated upon the occurrence of (a) a Change of Control Event, no such acceleration shall be permitted unless the event giving rise to the Change of Control Event constitutes a “change in the ownership or effective control” of the Corporation or a “change in the ownership of a substantial portion of the assets” of the Corporation within the meaning of U.S. Treasury Regulation Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) shall not be treated as a Change of Control Event; or (b) a “disability” or “incapacity”, no such acceleration shall be permitted unless the “disability” or “incapacity” also satisfies the definition of “Disability” pursuant to Section 409A.

4. Miscellaneous

(i) If any provision of the Plan, an Award Agreement or any Award issued to a U.S. Participant contravenes Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Section 409A, the Board may, in its sole discretion and without the U.S. Participant’s consent, modify such provision to the minimum extent necessary to: (a) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (b) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Section 409A.

(ii) Notwithstanding anything to the contrary in the Plan or otherwise, the Board shall retain the power and authority to amend or modify this Addendum to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any U.S. Participant.

(iii) The Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Section 409A. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan or any Award granted thereunder (including any taxes and penalties under Section 409A), and none of the Corporation or any of its Affiliates shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

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**ADDENDUM B FOR PARTICIPANTS IN THE UNITED STATES OR U.S. PERSONS**
**EXRO TECHNOLOGIES INC.**
**OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards granted to a Participant that is resident in the United States or a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended the "U.S. Securities Act"), or all Awards granted to any Participant under the Plan at such time as the Corporation ceases to be a "foreign private issuer" (as defined under Regulation S under the U.S. Securities Act). All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

(a) The Corporation shall be prohibited from offering to sell or selling, any Shares pursuant to an Award subject to this Addendum unless such Shares have been registered for sale pursuant to the U.S. Securities Act and qualified under any applicable securities laws of any state of the United States or unless such shares may be offered and sold without such registration pursuant to and in compliance with the terms of an available exemption therefrom. The Corporation shall be under no obligation to register for sale under the U.S. Securities Act and qualify under any applicable securities laws of any state of the United States any of the Shares to be offered or sold under the Plan.

(b) With respect to Awards subject to this Addendum, unless the Shares which may be issued upon the exercise or settlement of such Awards are registered under the U.S. Securities Act and any applicable securities laws of any state of the United States, the Awards granted hereunder and any Shares that may be issuable upon the exercise or settlement of such Awards will be considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and under any applicable securities laws of any state of the United States, as the case may be. Accordingly, any such Awards or Shares issued prior to an effectiveregistration statement filed under the U.S. Securities Act and qualification under any applicable securities laws of any state of the United States may not be transferred, sold, assigned, pledged, hypothecated or otherwise disposed by the Participant, directly or indirectly, without registration under the U.S. Securities Act and any applicable securities laws of any state of the United States, as the case may be, or unless in compliance with an available exemption therefrom. The Board may cause a legend or legends to be put on any certificates of Shares delivered under the Plan to make appropriate reference to the above-mentioned restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Corporation's instructions or subject to appropriate stop-transfer orders or other restrictions.

(c) Any Participant granted Awards that are subject to this Addendum shall by acceptance of an Award under this Plan be deemed to represent, warrant, acknowledge and agree with the Corporation that: (A) the Participant is acquiring the Award for his or her own account, as principal, (B) unless otherwise notified by the Corporation, the Award and the Shares underlying the Award, if any, have not been registered under the U.S. Securities Act and are "restricted securities" under Rule 144 under the U.S. Securities Act, (C) the certificates representing the Award and any Shares issued upon exercise or settlement thereof will bear the restrictive legend or will otherwise be subject to stop-transfer orders, and (D) the Corporation is relying on these representations and warranties to support the conclusion of the Corporation that the granting of the Award and any Shares issuable upon exercise or settlement thereof do not require registration under the U.S. Securities Act or any applicable securities laws of any state of the United States.

## SCHEDULE "C"

## ADVANCE NOTICE PROVISIONS

### (1) Nomination of Directors

Subject only to the BCA and these Articles, only persons who are nominated in accordance with the procedures set out in this section of the Company's articles (the "**Advance Notice Provisions**") shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

(a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the BCA or a valid requisition of shareholders made in accordance with the provisions of the BCA; or

(c) by any person entitled to vote at such meeting (a "**Nominating Shareholder"**), who:

   (i) is, at the close of business on the date of giving notice provided for in the Advance Notice Provisions and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and

   (ii) has given timely notice in proper written form as set forth in the Advance Notice Provisions.

### (2) Exclusive Means

For the avoidance of doubt, the Advance Notice Provisions shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

### (3) Timely Notice

In order for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice"**), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

(a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30$^{th}$ day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the "**Notice Date"**) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10$^{th}$ day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15$^{th}$ day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in 3(a) or 3(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

## (4) Proper Form of Notice

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of the Advance Notice Provisions and disclose or include, as applicable:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee"**):

(i) the name, age, business, and residential address of the Proposed Nominee;

(ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;

(iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iv) full particulars of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;

(v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the BCA or applicable securities law; and

(vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the BCA; and

(b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:

(i) their name, business, and residential address;

(ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;

(iv) any relationships, agreements, or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating

Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;

(v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;

(vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

(vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and

(viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to “Nominating Shareholder” in the Advance Notice Provisions shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

**(5) Currency of Nominee Information**

All information to be provided in a Timely Notice pursuant to the Advance Notice Provisions shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

**(6) Delivery of Information**

Notwithstanding any other provision of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to the Advance Notice Provisions may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

**(7) Defective Nomination Determination**

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the Advance Notice Provisions, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

**(8) Failure to Appear**

Despite any other provision of the Advance Notice Provisions, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

## (9) Waiver

The board may, in its sole discretion, waive any requirement in this Advance Notice Provisions.

## (10) Definitions

For the purposes of the Advance Notice Provisions,

(a) "public announcement**"** means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) **"**applicable securities laws**"** means the applicable securities legislation in each relevant province and territory of Canada, as amended from time to time, the rules, regulations, and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.