KRAKEN ROBOTICS INC.

MANAGEMENT INFORMATION CIRCULAR

AND

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 24, 2026

May 14, 2026

KRAKEN ROBOTICS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual and special meeting of the shareholders of Kraken Robotics Inc. (the "**Company**") will be held virtually via live audio webcast on June 24, 2026 at 1:00 p.m. (Eastern Daylight Time) (the "**Meeting**") for the following purposes:

1. to receive the Company's audited consolidated financial statements as at and for the financial year ended December 31, 2025, and the auditor's report thereon;

2. to elect the directors of the Company, all as more particularly described in the accompanying management information circular prepared for the purposes of the Meeting (the "**Circular**");

3. to appoint Ernst & Young LLP as auditor of the Company and authorize the directors to fix their remuneration;

4. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to approve the Company's proposed Omnibus Incentive Plan, substantially in the form appended as Schedule "B" to the Circular, to replace the Company's existing Omnibus Incentive Plans;

5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution repealing the Company's existing by-laws and approving the adoption of the Company's new by-laws, substantially in the form appended as Schedule "C" to the Circular; and

6. to transact any other business that may properly come before the Meeting or any adjournment or postponement thereof.

Please refer to the Circular dated May 14, 2026 that accompanies this notice of meeting (the "**Notice of Meeting**") for detailed information relating to the matters to be dealt with at the Meeting.

The Company will be convening and conducting the Meeting in a virtual-only format, which will be conducted via live audio webcast online at:

meetnow.global/MRGUUDU

Shareholders will be able to listen to the Meeting live and registered shareholders and duly appointed and registered proxyholders will be able to submit questions and vote while the Meeting is being held. Shareholders will not be able to attend the Meeting in person but will have equal opportunity to participate online in the virtual-only Meeting, ask questions, and vote on matters described in the accompanying Circular, regardless of their geographic location. We hope that hosting the Meeting virtually helps enable greater shareholder participation by allowing shareholders who might not otherwise be able to travel to a physical meeting to attend online. Please refer to the accompanying Circular for access details with respect to the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his or her place, as detailed below. Registered shareholders who are unable to virtually attend the Meeting are encouraged to complete the form of proxy provided to them in accordance with the instructions indicated therein. Non-registered shareholders who receive this Notice of Meeting and related materials through their broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, should carefully follow the instructions of their intermediary to ensure that their common shares are voted at the Meeting in accordance with their instructions. Non-registered shareholders must make additional arrangements through such intermediary to virtually attend and vote at the Meeting.

Registered shareholders and duly appointed proxyholders can attend the Meeting online via live audio webcast to participate, vote their common shares, and/or submit questions during the Meeting. Non-registered shareholders who have not duly appointed themselves as proxyholder will be permitted to attend the Meeting virtually as guests, but guests will not be able to vote or submit questions at the Meeting. This procedure is in place to ensure that the Company and its transfer agent can verify the identity of any voting shareholder at the Meeting. The Company and its transfer agent do not have a record of the Company's non-registered shareholders and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder.

The Company is using "notice-and-access" to deliver the Circular, the accompanying proxy-related materials, and the Company's audited consolidated financial statements for the financial year ended December 31, 2025, and the accompanying management's discussion and analysis (collectively, the "**Meeting Materials**") to shareholders in reliance on an exemption obtained by the Company under the *Canada Business Corporations Act*. This means that the Meeting Materials are being posted online for shareholders to access, rather than being mailed out. Shareholders will still receive a form of proxy or a voting instruction form in the mail so they can vote their common shares, but instead of receiving a paper copy of the Meeting Materials, shareholders will receive a notice with information about how they can access the Meeting Materials electronically and request a paper copy if desired. The Meeting Materials are available on the Company's website at www.krakenrobotics.com/investors and under the Company's profile on SEDAR+ at www.sedarplus.ca. Notice-and-access expedites shareholders' receipt of Meeting Materials, is environmentally friendly and reduces costs to the Company.

To request a paper copy of the Meeting Materials by mail or to receive additional information about notice-and-access, shareholders can call the Company at 709-757-5757 or email investors@krakenrobotics.com. There is no cost to you for requesting a paper copy of the Meeting Materials. Any shareholder wishing to request a paper copy of the Meeting Materials should do so by 4:00 p.m. (EDT) on June 16, 2026 (in order to receive and review the Meeting Materials and submit their vote by 1:00 p.m. (EDT) on June 22, 2026, as set out in the form of proxy or voting instruction form accompanying this Notice of Meeting).

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Investor Services Inc. ("**Computershare**"), after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving an invitation code via e-mail that will act as their online sign-in credentials, which is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting online as a guest.

In order to streamline the Meeting process, the Company encourages shareholders to vote in advance of the Meeting by completing and submitting a form of proxy or voting instruction form, as applicable, by no later than 1:00 p.m. (EDT) on June 22, 2026, the cut-off time for deposit of proxies prior to the Meeting.

Shareholders may contact Kraken's transfer agent, Computershare, at 1-800-564-6253 (toll free in Canada and the United States) or 514-982-7555 (international direct dial), for more information regarding how to vote their common shares.

DATED at Mount Pearl, Newfoundland, this 14th day of May, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

"Shaun McEwan"
Shaun McEwan, Chair of the Board

KRAKEN ROBOTICS INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular ("**Circular**") contains information as of May 14, 2026, unless otherwise noted.

SOLICITATION OF PROXIES

This Circular is furnished to you in connection with the solicitation of proxies by management of Kraken Robotics Inc. ("**we**", "**us**" or the "**Company**") for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Company to be held on June 24, 2026, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**"), and at any adjournment or postponement thereof. The Company will conduct its solicitation primarily by mail, using notice-and-access provisions, and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We will pay the expenses of this solicitation.

VIRTUAL MEETING

Shareholders as of the close of business on May 6, 2026 (the "**Record Date**") will have an equal opportunity to participate at the Meeting online via live audio webcast, regardless of geographic location.

Registered shareholders and duly appointed proxyholders can attend the Meeting online at **meetnow.global/MRGUUDU** to participate, vote their common shares of the Company ("**Common Shares**"), and/or submit questions during the Meeting's live webcast. Non-registered (beneficial) shareholders, who have not duly appointed themselves as proxyholder, will be able to attend the Meeting virtually as guests, but guests will not be able to vote or submit questions at the Meeting. The Company and its transfer agent do not have a record of the Company's non-registered shareholders and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see "*Appointment of Proxyholder*" and "*Revocability of Proxy*" below.

In order to streamline the Meeting process, the Company encourages shareholders to vote in advance of the Meeting using the voting instruction form (a "VIF") or the form of proxy and submitting them by no later than 1:00 p.m. (EDT) on June 22, 2026, the cut-off time for deposit of proxies prior to the Meeting.

It is the shareholder's responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 1:00 p.m. (EDT) on June 24, 2026, unless otherwise adjourned or postponed. The Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

Participation by Registered Shareholders and Duly Appointed Proxyholders

Registered shareholders that have a 15-digit control number located on their form of proxy or in the email notification received, along with duly appointed proxyholders who were assigned an invitation code by the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), will be able to vote and submit questions during the Meeting. To do so please go to **meetnow.global/MRGUUDU** prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or "Invitation" and enter your invitation code.

Registered shareholders using a 15-digit control number to login to the online Meeting will be required to accept the terms and conditions of the Meeting. If a registered shareholder who has submitted a form of proxy attends the Meeting via webcast and proceeds with voting at the Meeting, any and all previously submitted proxies will be revoked. If you do not wish to revoke all previously submitted proxies, do not vote at the Meeting.

Participation by Non-US Non-Registered Shareholders

Non-registered shareholders who have not appointed themselves as proxyholder to vote at the Meeting but who wish to access the Meeting virtually will only be able to do so as a guest by going to **meetnow.global/MRGUUDU** prior to the start of the Meeting, clicking on "Guest" and completing the online form. Such non-registered shareholders will be able to listen to the Meeting but will not be able to vote or submit questions. See "Appointment of Proxyholder" and "Advice to Non-Registered Holders of Common Shares" below regarding information for a non-registered shareholder to appoint themselves as proxyholder in order to vote and ask questions at the Meeting.

Participation by US Non-Registered Shareholders

To attend and vote at the virtual meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a legal form of proxy.

After first obtaining a valid legal proxy from your broker, bank or other agent, you must submit a copy of your legal proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
320 BAY STREET, 14TH FLOOR
TORONTO, ON M5H 4A6, CANADA

By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than 1:00 p.m. (EDT) on June 22, 2026. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the meeting and vote your shares at **meetnow.global/MRGUUDU** during the meeting. Please note that you are required to register your appointment at **http://www.computershare.com/krakenrobotics**.

Voting by Registered Shareholders and Duly Appointed Proxyholders

Registered shareholders and duly appointed proxyholders will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this Meeting. To be able to vote their Common Shares at the Meeting, each registered shareholder or duly appointed proxyholder will be required to enter their control number or invite code (which will be provided by Computershare after the voting deadline), as applicable, provided by Computershare at **meetnow.global/MRGUUDU** prior to the start of the Meeting.

Voting by Non-Registered Shareholders

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting, but will be able to access and listen to the Meeting as a guest. This is because the Company and Computershare do not have a record of the non-registered shareholders of the Company, and, as a result, will have no knowledge of an individual's shareholdings or entitlement to vote unless you appoint yourself as proxyholder. See "Appointment of Proxyholder" and "Advice to Non-Registered Holders of Common Shares" below.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by completing and returning a VIF in accordance with the instruction set out therein. You must also follow all of the applicable instructions, including the deadline, provided by your Nominee (as defined below).

APPOINTMENT OF PROXYHOLDER

The persons named as proxyholders in the form of proxy (the "**Management Proxyholders**") are directors or officers of the Company. **As a shareholder, you have the right to appoint a person other than a Management Proxyholder to attend and act on your behalf at the Meeting.** To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate proxy. A proxyholder need not be a shareholder.

The form of proxy must be dated and signed by you or by your attorney authorized in writing or by the intermediary acting on your behalf. In the case of a shareholder that is not an individual, the form of proxy must be executed under the shareholder's corporate seal (if applicable) or signed by a duly authorized representative or attorney for the shareholder.

In the case of a registered shareholder, completed, dated, and signed proxies (together with any power of attorney or other authorizing instrument, if any, under which it was signed, or a notarized certified copy thereof) must be deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc., at 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6. In the case of a non-registered shareholder who receives a form of proxy or VIF through an intermediary, such non-registered shareholder must deliver the form of proxy or VIF in accordance with the instructions given by such intermediary.

Shareholders who wish to appoint someone other than the Management Proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares must submit their form of proxy or VIF, as applicable, appointing that person as proxyholder and register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed after you have submitted your form of proxy or VIF per the instructions described below. To register a proxyholder in this manner, shareholders must visit

www.computershare.com/krakenrobotics by 1:00 p.m. (EDT) on June 22, 2026 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with an invite code via e-mail. Failure to register the proxyholder will result in the proxyholder not receiving an invite code that is required to vote at the Meeting. Without an invite code, proxyholders will not be able to participate or vote at the Meeting but will be able to access and listen to the Meeting as a guest.

Shareholders may also vote by telephone and internet. Please see the form of proxy or VIF for instructions regarding telephone and internet voting. To be effective, a proxy must be received by Computershare no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at their discretion without notice.

VOTING OF PROXIES

Registered shareholders and duly appointed proxyholders will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for the Meeting. To be able to vote each Common Share so held vote at the Meeting, each registered shareholder or duly appointed proxyholder will be required to enter their control number or invite code, as applicable, provided by Computershare at **meetnow.global/MRGUUDU** prior to the start of the Meeting.

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting but will be able to access and listen to the Meeting as a guest. This is because the Company and Computershare do not have a record of the non-registered shareholders of the Company, and, as a result, will have no knowledge of an individual's shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

In order to approve a motion proposed at the Meeting, a simple majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a special resolution (a "**special resolution**") in which case a special majority of not less than two-thirds (2/3) of the votes cast will be required.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the VIF sent to you and must follow all of the applicable instructions, including the deadline, provided by your intermediary.

A shareholder may indicate the manner in which the proxyholder named in the form of proxy is to vote with respect to any matter by checking the appropriate space. Common Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the form of proxy in accordance with the instructions provided on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **If a shareholder has appointed the Management Proxyholders and has not provided voting instructions with respect to any matter specified in the form of proxy, the Common Shares represented by the form of proxy will be voted as recommended by management for any matter requiring a "For" or "Against" vote, and in favour of any matter requiring a "For" or "Withhold" vote.** If a shareholder has appointed a proxyholder other than the Management Proxyholders and has not provided voting instructions with respect to any matter specified in the form of proxy, then the proxyholder will be entitled to vote on that matter in the proxyholder's discretion.

The form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, management of the Company is not aware of any amendment, variation, or other matters to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the Management Proxyholders will be voted on such matters pursuant to the discretionary authority provided for in the form of proxy.

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their Common Shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (each, a "**Nominee**"). If you purchased your Common Shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting Materials (as defined below) using notice-and-access, indirectly to NOBOs and to the Nominees for onward distribution to OBOs. The Company does not intend to pay for Nominees to forward to OBOs the Meeting Materials, and an OBO will not receive the Meeting Materials unless the OBO's Nominees assume the cost of such delivery.

Nominees are required to forward the Meeting Materials to each OBO unless the OBO has waived the right to receive them. Common Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for a VIF, instead of a form of proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares, which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a non-registered holder who receives either a proxy or a VIF wish to attend and vote at the Meeting (or have another person attend and vote on behalf of the non-registered holder), the non-registered holder should strike out the names of the persons named in the form of proxy and insert their own (or such other person's) name in the blank space provided in the form of proxy or, in the case of a VIF, follow the corresponding instructions on the VIF, to appoint themselves or such other person as proxyholder, and deposit the form of proxy or submit the VIF in the appropriate manner noted above. Non-registered holders should carefully follow the instructions on the form of proxy or VIF that they receive from their Nominee in order to vote the Common Shares that are held through that Nominee. **Non-registered holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons, as required.**

REVOCABILITY OF PROXY

Any registered shareholder and NOBO who has given 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 shareholder or a NOBO may revoke a proxy by depositing an instrument in writing signed by the shareholder or the shareholder's attorney who is authorized in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of the Meeting. OBOs who wish to change their vote must, at least seven days before the Meeting, arrange for their Nominees to so act on their behalf.

If a registered shareholder who has submitted a form of proxy attends the Meeting and proceeds with voting at the Meeting in accordance with the procedures set out above, any and all previously submitted proxies will be revoked. If you do not wish to revoke all previously submitted proxies, do not attend and vote at the Meeting.

NOTICE-AND-ACCESS

As permitted by Canadian securities regulators, in reliance on an exemption obtained by the Company under the Canada Business Corporations Act ("**CBCA**"), the Company is using "notice-and-access" to deliver this Circular, the accompanying proxy-related materials, and the Company's audited consolidated financial statements for the financial year ended December 31, 2025, and accompanying management's discussion and analysis (collectively, the "**Meeting Materials**") to shareholders. This means that the Meeting Materials are being posted online for shareholders to access, rather than being mailed out. Shareholders will still receive a form of proxy or a voting instruction form in the mail so they can vote their Common Shares, but instead of receiving a paper copy of the Meeting Materials, shareholders will receive a notice with information about how they can access the Meeting Materials electronically and request a paper copy if desired. The Meeting Materials are available on the Company's website at www.krakenrobotics.com/investors and under the Company's profile on SEDAR+ at www.sedarplus.ca. Notice-and-access expedites shareholders' receipt of Meeting Materials, is environmentally friendly and reduces costs to the Company.

Pursuant to the notice-and-access provisions, registered and non-registered holders of Common Shares will be sent a notice package explaining how to access the Meeting Materials and containing a form of proxy or VIF, as applicable, and in each case with a check-the-box election that shareholders may use to request to receive copies of the Company's annual and interim financial statements for the 2026 fiscal year. To request a paper copy of the Meeting Materials by mail or to receive additional information about notice-and-access, shareholders can call the Company at 709-757-5757 or by email at investors@krakenrobotics.com. There is no cost to you for requesting a paper copy of the Meeting Materials. Any shareholder wishing to request a paper copy of the Meeting Materials should do so by 4:00 p.m. (EDT) on June 16, 2026, in order to receive and review the Meeting Materials and submit their vote by 1:00 p.m. (EDT) on June 22, 2026, as set out in the proxy or VIF.

No shareholder will receive a paper copy of this Circular or any of the other meeting materials unless that shareholder specifically requests a paper copy.

INTEREST OF CERTAIN PERSONS OR COMPANIES 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 last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the approval of the Omnibus Incentive Plan (as defined herein), all described in this Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Voting of Common Shares – General

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date, a total of 307,175,048 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting.

Persons who are registered shareholders at the close of business on the Record Date will be entitled to receive notice of, attend, and vote at the Meeting or any adjournment thereof.

Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company.

ELECTION OF DIRECTORS

Directors are elected at each annual meeting and hold office until the next annual meeting of shareholders of the Company or until that person sooner ceases to be a director. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees listed in this Circular.

Amendments to the CBCA, which came into force on August 31, 2022, establish a majority voting requirement for uncontested elections. Specifically, the CBCA now requires that, for elections at which there is only one candidate nominated for each position available on the board of directors (the "**Board**"), shareholders vote "for" or "against" individual directors (rather than "for" or "withhold") and each candidate is elected only if they receive a majority of votes cast in their favour. The CBCA provides that if an incumbent director is not elected in those circumstances, the director may continue in office until the earlier of (i) the 90th day after the day of the election, and (ii) the day on which their successor is appointed or elected. In addition, the Board may appoint the incumbent director who was a candidate and who was not elected during the election to ensure that the Board is composed of the required number of (i) Canadian residents; and (ii) directors who are not officers or employees of the Company. The election of directors at the Meeting will be governed by the majority voting requirements under the CBCA.

Management proposes to nominate the persons named in the table below for election as directors. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the Company's by-laws. Management does not contemplate that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the Common Shares represented by the proxy for the election of any other person or persons as directors.

Unless otherwise instructed, the Management Proxyholders intend to vote FOR the election of the proposed nominees as directors.

The information concerning the proposed nominees has been furnished by each of them.

Kim Butler
Ottawa, Ontario, Canada

Director since:
December 1, 2025

Areas of expertise:
- Governance
- Executive Management
- Accounting/Finance
- Human Resources

Kim Butler is presently employed as a Senior Advisor at Stratford Group (2021 to present), a management consultancy of former leaders that excel at enhancing company performance and delivering customized solutions that realize value, achieve results, and build enduring capabilities.

Ms. Butler previously served as Head of Business Operations and Integration at Ericsson following the acquisition of CENX where she held interim CEO and CFO/COO roles. As SVP Finance, CFO, and Corporate Secretary at Bridgewater Systems, a global leader in mobile policy solutions, she led the company's initial public offering in 2007, and later its successful acquisition by Amdocs in 2011. Prior to Bridgewater, she held senior finance roles at Asea Brown Boveri, and Mitel Corporation.

Ms. Butler holds both the CPA and ICD-D designations.

2025 Board and Committee Membership[1]	Attendance
Board (Independent)	1 of 1

Public company directorships
None.

Securities owned or controlled
Nil Common Shares 100,000 Options

[1] Note: As of April 15, 2026, Ms. Butler was appointed as Chair of the Company's audit committee (the "**Audit Committee**") and as member of the Company's Nomination & Governance Committee (the "**Governance Committee**").

Michael Connor
Mystic, Connecticut, United States

Director since:
October 4, 2017

Areas of expertise:

- Executive Management
- Human Resources
- Technology
- Offshore Operations

Mr. Connor is a retired United States Navy Vice Admiral. He is currently the Chief Executive Officer of ThayerMahan, Inc., a company he founded to accelerate the United States' ability to effectively and efficiently monitor ocean activity using autonomous systems.

In a 35-year career in which he rose to the rank of Vice Admiral in the United States Navy, Mike Connor commanded at the ship, squadron and task force levels. His assignments included command of USS SEAWOLF, a nuclear-powered attack submarine, Submarine Squadron Eight, Undersea Forces in the Western Pacific and the Arabian Gulf. He held several concurrent titles during his last assignment; including Commander, United States Submarine Forces, Commander, Submarine Forces Atlantic and Commander, Allied Submarine Command. He served as commander of U.S. submarine forces from September 2012 until September 2015. Vice Admiral Connor led the US Navy Submarine Force into robotic undersea systems, achieving key milestones including the first operational deployment and recovery of an unmanned underwater vehicle from a submarine. He also led innovation efforts that began the shift away from undersea search operations based on expensive platforms and moved toward operations based on large numbers of inexpensive vehicles. He has written extensively on the future of undersea warfare and is a sought-after speaker on undersea warfare topics. He holds a B.A. in Physics from Bowdoin College, and an M.A. in National Security Studies from the United States Naval War College.

2025 Board and Committee Membership[2]	Attendance
Board (Independent)	4 of 4
Compensation Committee	N/A

Public company directorships
None.

Securities owned or controlled
300,000 Common Shares
600,000 Options

[2] Note: As of April 15, 2026, Mr. Connor was appointed as Chair of the Company's compensation committee (the "**Compensation Committee**") and as a member of the Governance Committee.

Peter Hunter
Boston, Massachusetts, United States

Director since:
November 20, 2023

Areas of expertise:
- Governance
- Executive Management
- Accounting/Finance
- Human Resources
- Investment Banking/M&A

Mr. Hunter is founder, Chairman, and Managing Partner of Artemis Capital Partners, L.P., a Boston-based private equity firm. An attorney and CPA, Mr. Hunter brings over 30 years of experience as an investor and operator. Mr. Hunter also brings subsea technology expertise to the Board, having served three years as the Chairman of Hydroid, LLC, an industry leader in unmanned underwater vehicles (UUVs) with its REMUS UUV brand. Mr. Hunter was Chairman of Hydroid from its early days to its eventual acquisition by Kongsberg Maritime, AS in 2008. Hydroid was subsequently acquired from Kongsberg in 2020 by Huntington Ingalls (now known as HII), the United States Navy's largest shipbuilder and UUV provider.

Mr. Hunter holds a JD from Suffolk University Law School, and a BSBA in Accounting from Suffolk University – Sawyer School of Business.

2025 Board and Committee Membership[3]	Attendance
Board (Chair, Independent)	4 of 4
Audit Committee	4 of 4

Public company directorships
None.

Securities owned or controlled
Nil Common Shares 600,000 Options

[3] Note: As of April 15, 2026, Mr. Hunter resigned as Chair of the Board and has resigned from the Audit Committee and the Compensation Committee .

Shaun McEwan – Chair
Ottawa, Ontario, Canada

Director since:
December 1, 2016

Areas of expertise:
- Governance
- Executive Management
- Accounting/Finance
- Human Resources
- Investment Banking/M&A

Mr. McEwan is owner of Kin Vineyards Inc. and has more than 25 years of experience in finance and executive leadership in public and private high-tech companies. These include President and Chief Executive Officer (2021 to 2025) and former Chief Financial Officer (2020 to 2021) of ADGA Group Consultants Inc., a professional services firm focused on the defence and security market in Canada, and Chief Executive Officer and Chief Financial Officer, Quarterhill Inc., TSX-listed, a growth-oriented, diversified holding company focused on the Industrial Internet of Things; the Chief Financial Officer, WiLAN, a publicly-traded intellectual property licensing company; Chief Financial Officer, BreconRidge Manufacturing Solutions Corporation; and President and Chief Executive Officer of Calian Technologies Ltd. Mr. McEwan led the initial public offering of Microstar Software Ltd. on the TSX in 1993, and has extensive experience with corporate financings and M&A transactions.

Mr. McEwan holds a B. Comm. in Accounting and Finance from Carleton University.

2025 Board and Committee Membership[4]	Attendance
Board (Independent)	4 of 4
Audit Committee (Chair)	4 of 4
Compensation Committee	N/A
Public company directorships	
None.	
Securities owned or controlled	
275,000 Common Shares 600,000 Options	

[4] Note: As of April 15, 2026, Mr. McEwan resigned as Chair of the Audit Committee and was appointed as Chair of the Board and as a member of the Governance Committee.

Greg Reid
Toronto, Ontario, Canada

Director since:
January 1, 2023

Areas of expertise:
- Executive Management
- Manufacturing Operations
- Accounting/Finance
- Investment Banking/M&A
- Technology

Greg Reid is the President and Chief Executive Officer of the Company (2023 to present) and has previously served as the Chief Operating Officer (2019 to 2022) and Chief Financial Officer (2015 to 2019). He is a seasoned executive with over twenty years of finance, investment, and business development experience, predominantly focused on the technology sector.

Mr. Reid was a founding partner of Wellington West Capital Markets Inc. and led the technology and clean technology research and then investment banking efforts until the sale of Wellington West Capital Inc. to National Bank Financial in 2011. Mr. Reid is a Chartered Professional Accountant, Chartered Accountant, (CPA, CA) and Chartered Financial Analyst (CFA).

2025 Board and Committee Membership	Attendance
Board	4 of 4
Public company directorships	
None.	
Securities owned or controlled	
7,361,309 Common Shares 1,150,000 Options	

Don Robertson
Hawkestone, Ontario, Canada

Director since:
March 26, 2026

Areas of expertise:
- Governance
- Executive Management
- Legal and Regulatory
- Accounting/Finance
- Human Resources
- Investment Banking/M&A

Mr. Robertson has more than 30 years of experience in corporate finance, mergers and acquisitions (M&A), and public company governance. He has advised boards of directors and senior management teams on a wide range of strategic matters, including M&A, divestitures, joint ventures, and strategic financings.

Mr. Robertson currently serves as Chair of the audit committee and a member of the board of directors for Bragg Gaming Group, a TSX and Nasdaq listed technology provider. He previously served as Managing Director and Head of Global Mergers and Acquisitions for Scotiabank, and as Chief Executive Officer, Canada and Head of Corporate Finance, Americas at Standard Chartered Bank.

Mr. Robertson holds a Bachelor of Commerce (Honours) from Laurentian University, an MBA from the Schulich School of Business, and a JD from Osgoode Hall Law School. He was called to the Bar of Ontario in 1998.

2025 Board and Committee Membership[5]	Attendance
N/A	N/A

Public company directorships
Bragg Gaming Group - TSX/NASDAQ

Securities owned or controlled
Nil Common Shares 100,000 Options

[5] Note: As of April 15, 2026, Mr. Robertson was appointed as a member of the Audit Committee and the Compensation Committee.

Kristin Robertson
Keswick, Virginia, United States

Director since:
June 4, 2025

Areas of expertise:
- Executive Management
- Engineering & Manufacturing Operations
- Human Resources

Kristin Robertson is the President and Owner of KRB Insights LLC (2023 to present), a management consulting firm that partners with organizations to solve complex strategic, operational, and growth challenges. The firm delivers data driven insights, pragmatic and executable solutions, and focused support to help clients achieve measurable outcomes. The firm specializes in advising senior leaders/clients across government, defense, and commercial sectors with a particular emphasis on emerging technologies, autonomous systems, and next generation business models. Ms. Robertson also participates in the US Department of War BOND (business operator network for defense) program (2025 to present), a highly selective program whereby senior private sector executives assist the US Department of War in the transformation of acquisition practices.

From 2022 to 2023, Ms. Robertson served as President, Space & C2, a division of RTX Corporation (formerly Raytheon Technologies Corporation), one of the world's largest aerospace companies, providing cutting edge integrated space solutions for defense, intelligence, and commercial customers globally.

Prior to joining RTX Corporation, Ms. Robertson had a 27 year career at Boeing, most recently as Vice President and General Manager of Autonomous Systems, a division of Boeing Defense, Space & Security (BDS) (2018 to 2022), where she oversaw a seabed to space portfolio that included key franchise programs such as MQ-25 Stingray, Orca Extra Large Unmanned Undersea Vehicle, and Boeing's Airpower Teaming System, a disruptive collaborative combat aircraft, during this time she also served as Chair for five wholly owned Boeing subsidiaries. Previously, Ms. Robertson held various senior leadership positions, including Vice President and General Manager, Boeing Defense Autonomous Systems (2016 to 2018), Vice President, Tiltrotor Programs and Bell-Boeing V-22 Program Director (2013 to 2016); and Senior Director co-leading the development of the T-X (T-7) Red Hawk training program (2012 to 2013). Prior to this she was Director, Weapons programs and served as Mission Systems IPT Director for a Boeing Phantom Works proprietary program.

Ms. Robertson holds a Bachelor of Science degree in electrical engineering from the University of California San Diego and Master of International Business degree from Saint Louis University. She earned certifications in lean practices from the University of Tennessee, Program Management from Defense Acquisition University, and completed the Integral Leadership Program at the University of Notre Dame. She is also a member of the Beta Gamma Sigma National Honor Society and Society of Women Engineers.

Ms. Robertson is also recognized by the Society of Women Engineers and National Engineer's Council for her leadership and support of Women in STEM. She founded KBR Insights and serves on several private equity-backed boards and provides other advisory services.

2025 Board and Committee Membership[6]	Attendance
Board (Independent)	2 of 2
Public company directorships	
None.	
Securities owned or controlled	
Nil Common Shares 300,000 Options	

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company's management, no proposed director of the Company:

(a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director, CEO, CFO of any company (including the Company) that:

(i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

(ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or

(b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

[6] Note: As of April 15, 2026, Ms. Robertson was appointed as a member of the Audit Committee and the Compensation Committee.

(e) has been subject to 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 a proposed director.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Analysis

The primary objectives of the Company's executive compensation program are to attract, motivate and retain highly trained, experienced and committed executive officers who have the necessary skills, education, experience and personal qualities required to manage the Company's business for the benefit of its shareholders, and to align their success with that of the shareholders. The level of compensation paid to an executive is based on the executive's overall experience, responsibility and performance.

The Company's executive compensation program is presently comprised of three elements: (i) base salaries or consulting fees; (ii) short-term incentives in the form of annual cash bonuses, and (iii) long-term incentives in the form of incentive stock options ("**Options**") pursuant to the Company's stock option plan (the "**Stock Option Plan**") and restricted share units ("**RSUs**") pursuant to the Company's restricted share unit plan (the "**RSU Plan**"). As the Company is generating revenue, salaries will be paid to its executive officers as determined by the Board. The Board will review all three elements in assessing the compensation of individual executive officers and the Company as a whole.

The Company is proposing to adopt the Omnibus Incentive Plan (as defined below) which, if adopted, will govern all future awards of Options and other equity related compensation, as summarized below under the heading "*Summary of the Omnibus Incentive Plan*".

When determining executive compensation, the Board will review the compensation policies of companies engaged in similar businesses. Prior to 2025, the Company had not obtained any industry reports regarding compensation. At the appropriate time the Board will review publicly available information with respect to compensation paid to the executives of companies that are engaged in businesses comparable to the Company.

The Board, on the advice of the Compensation Committee, determines appropriate compensation levels and composition for its executives, reflecting the need to provide compensation for the time and effort expended by the executives and incentives for future achievement, while also taking into account the financial and other resources of the Company. The discretionary nature of Options and RSUs under the Stock Option Plan and RSU Plan, respectively, provides the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests.

The duties and responsibilities of the CEO, CFO and COO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the

Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

Compensation Decision-Making Process

The Compensation Committee did not meet during the most recently completed financial year. The full Board dealt with compensation matters during the most recently completed financial year and to the extent the discussions were held about an executive director, the executive director recused himself from such deliberations. Compensation decisions are generally made during the first quarter of each financial year.

The market for talent for the Company's Named Executive Officers (as defined below) is global. The Company competes in a very specialized, niche industry with high barriers to entry. Its executive officers must collectively possess intimate knowledge of the underwater robotics industry, significant experience in sonar technologies, manufacturing, deep industry insights and strong relationships with key decision-makers. There are few publicly traded companies whose expertise is comparable to the Company, and most of them are major defense, technology and industrial conglomerates that are significantly larger, more complex, and more diversified than the Company. Accordingly, the Company has not defined a peer group for purposes of benchmarking compensation at this time.

Analysis of Elements of Compensation

The executive compensation plan includes short-term and long-term compensation. The following table explains how each component supports our compensation philosophy. We assess each element separately, and together these are considered total compensation. Short-term and long-term compensation together make up each executive's total direct compensation.

Short-Term Compensation	• Awarded based on performance, the executive's position in the Company, and the market for similar services.
(i) Base salary	• Forms the basis for attracting, comparing and remaining competitive with the market. • Fixed, and used to determine other elements of compensation and benefits. • Established in the first quarter of the year.
(ii) Annual cash bonus	• Links pay to individual and corporate achievements. • Variable, and paid in cash after the end of the year based on the year's performance. • Payments are entirely discretionary, based on the Board's assessment of individual and corporate performance.
Long-Term compensation	• Links pay to long-term performance and promotes equity ownership. • Awarded based on corporate performance, the executive's potential to contribute to our future success and the executive's position in the Company. • Ultimate value is based on our share price over time. • Currently may consist of Options, RSUs, or both, at the discretion of the Board.

Base salaries are intended to provide Named Executive Officers with competitive base compensation. The Company differentiates salary levels to reflect a Named Executive Officer's performance, experience and responsibilities. Base salaries are reviewed annually, with any increases subject to Board approval and based on merit and in response to market changes. Additionally, base salaries may be changed as warranted throughout the year for promotions or other changes in the scope of a Named Executive Officer's role and responsibilities, subject to Board approval.

An annual performance bonus is a short-term component of compensation. Annual cash performance bonuses may be awarded at the discretion of the Board, based on the performance of the Company and the Named Executive Officer's contribution to that performance, as well as personal performance of individual Named Executive Officers.

Long-term incentives are intended to provide ties between executive compensation and the long-term performance of the Company. These incentives also strengthen the Company's ability to attract and retain executive officers, and reinforce alignment with shareholder value by providing them with an opportunity to acquire proprietary interests in the Company and thereby participate in value growth. In addition, grants of long-term incentives increase value for shareholders without requiring the Company to use cash from treasury. Options and/or RSUs may be granted to executives at the commencement of their engagement with the Company, and periodically thereafter based on level, individual performance and potential, and market competitiveness.

Share-based and Option-based Awards

The Company's long-term incentive compensation presently consists of grants of Options under the Stock Option Plan and RSUs under the RSU Plan, both of which were last approved by shareholders at the last annual and special meeting on June 23, 2025. The Board determines the allocation and terms of any Option and RSU grants taking into account the number of Options and RSUs that have already been granted. During the year ended December 31, 2025, the Company granted 1,350,000 Options to Named Executive Officers and 700,000 Options to directors. The Company did not grant any RSUs during the year ended December 31, 2025, and no RSUs are outstanding.

The Company is proposing to adopt the Omnibus Incentive Plan which, if adopted, will govern all future awards of Options and other equity related compensation. The material terms of the Omnibus Incentive Plan are summarized below under the heading "*Summary of the Omnibus Incentive Plan*".

Risk Management

The Board follows good practices in executive compensation designed to mitigate compensation risks and disincentivize excessive or inappropriate risk taking. Executive compensation is comprised of short-term compensation in the form of a base salary and annual performance bonuses, and long-term incentives presently through the Stock Option Plan and RSU Plan. The Board determines the allocation of these components in the overall compensation mix for the CEO, CFO and other Named Executive Officers, with a view to ensuring that an appropriate proportion of executive compensation consists of long-term incentives, which are subject to vesting conditions and therefore "at risk", and provide value on a deferred basis, which aligns rewards with the risk time horizon and motivates the creation of longer-term value. To this end, subject to the applicable grant agreement, the Board generally imposes a four-year time-based vesting requirement on grants of Options and three-year time-based vesting period on grants of

RSUs. As the benefits of deferred compensation, if any, are not realized until a significant period of time has passed, executives are disincentivized from taking inappropriate or excessive risks that are beneficial to their short-term compensation at the expense of the Company and the shareholders. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

In addition, compensation risk is mitigated by Board discretion over cash bonuses and long-term non-cash incentives, which provides the Board with the flexibility to provide rewards responsibly and judiciously, when warranted by the executives' performance and that of the Company, considering the Company's circumstances. The Board also implements trading blackouts prescribed by the Company's Insider Trading Policy, which limits the ability of executives of the Company to trade in securities of the Company to specified trading windows.

Neither the Board nor the Compensation Committee has formally assessed the implications of the risks associated with the Company's compensation policies and practices. The Board holds regular meetings during which financial and other information of the Company is reviewed, which provides opportunities for risks to be identified and mitigated. Given the current composition of the Company's executive management team, level of Board oversight, and the structure of the Company's compensation program, the Board is able to effectively monitor and consider any risks which may be associated with the Company's executive compensation policies and practices. No such risks have been identified that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. However, the Company is not aware of any directors or officers having entered into this type of transaction.

The Company's management is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by management.

Compensation Governance

As of the date of this Circular, the members of the Compensation Committee are Michael Connor (Chair), Kristin Robertson, and Don Robertson.[7] All of the members of the Compensation Committee are independent as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). For information regarding the experience and qualifications of the Compensation Committee members, see "*Election of Directors*".

The Board is responsible for overseeing compensation matters (including compensation of officers and other senior management personnel). The Board may from time to time delegate to the Compensation Committee responsibility for evaluating the performance of the Company and its executives, making recommendations regarding compensation levels and composition, and

[7] Note: Prior to April 15, 2026, the Compensation Committee consisted of Shaun McEwan and Peter Hunter. Prior to January 12, 2026, the Compensation Committee consisted of Shaun McEwan, Peter Hunter, and Bernard Mills.

performing certain duties with respect to the current Stock Option Plan and RSU Plan. The Compensation Committee conducts its business on the basis of majority approval, which encourages an objective process for determining compensation. For more information, see "*Corporate Governance*".

Summary Compensation Table

For the purposes of this Circular, a "**Named Executive Officer**" of the Company means each of the following individuals:

(a) our CEO;

(b) our CFO; and

(c) each of our 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 financial year ended December 31, 2025, whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year.

We had five Named Executive Officers during our financial year ended December 31, 2025, being Greg Reid, President and Chief Executive Officer, Joseph MacKay, Chief Financial Officer and Corporate Secretary, David Shea, Executive Vice President and Chief Technology Officer, Nathaniel Spencer, Executive Vice President and Chief Operating Officer and Lynne Adu, Executive Vice President and Chief Commercial Officer.[8]

The table below sets out particulars of compensation paid to the Named Executive Officers for services to the Company during the three most recently completed financial years for which such information is available.

[8] Note: As of April 10, 2026, Lynne Adu departed from the Company.

Summary Compensation Table

Name and principal position as at December 31, 2025	Year	Salary, consulting fee, retainer or commission ($)	Share-based awards ($)	Option-based awards(1) ($)	Non-equity incentive plan compensation: Annual incentive plans ($)	Non-equity incentive plan compensation: Long term incentive plans ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Greg Reid (2) CEO and President, and a director	2025 2024 2023	450,000 350,000 350,000	Nil Nil Nil	182,917 73,397 Nil	Nil 255,000 180,000	Nil Nil Nil	Nil Nil Nil	32,490(3) 36,410 36,410	665,407 714,807 566,410
Joseph MacKay CFO and Corporate Secretary (4)	2025 2024 2023	370,000 275,000 275,000	Nil Nil Nil	196,943 73,397 Nil	Nil 245,000 170,000	Nil Nil Nil	Nil Nil Nil	32,490(3) 29,210 29,210	599,433 622,607 474,210
David Shea Executive Vice-President and Chief Technology Officer (5)	2025 2024 2023	320,000 275,000 275,000	Nil Nil Nil	196,943 73,397 Nil	Nil 125,000 110,000	Nil Nil Nil	Nil Nil Nil	32,490(3) 29,210 29,210	549,433 502,607 414,210
Nathaniel Spencer (6) Executive Vice-President and Chief Operating Officer	2025(7) 2024(7) 2023(7)	361,400 325,376 286,840	Nil Nil Nil	256,625 122,173 Nil	Nil 143,850 100,000	Nil Nil Nil	Nil Nil Nil	30,580 Nil Nil	648,605 591,399 386,840
Lynne Adu (8) Executive Vice-President and Chief Commercial Officer	2025(9) 2024(9) 2023(9)	313,191 262,640 196,371	Nil Nil Nil	196,077 73,397 Nil	Nil 134,822 82,000	Nil Nil Nil	Nil Nil Nil	14,625 22,062 18,368	523,893 492,921 296,739

Notes:

(1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value of Options based on the following weighted average assumptions:
- Options granted in 2025: (i) risk free interest rate of 2.75% (ii) expected dividend yield of 0%; (iii) expected volatility of 54.0%; and (iv) an expected term of 4.4 years.
- Options granted in 2024: (i) risk free interest rate of 3.54% (ii) expected dividend yield of 0%; (iii) expected volatility of 54.9%; and (iv) an expected term of 4.5 years.
- Options granted in 2023: (i) risk free interest rate of 3.71% (ii) expected dividend yield of 0%; (iii) expected volatility of 57.43%; and (iv) an expected term of 3.64 years.

The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

(2) Effective January 1, 2023, Mr. Reid resigned as Chief Operating Officer and was appointed as President and CEO of the Company. Mr. Reid's salary relates to his role as President and CEO and not as a director.

(3) Includes a contribution by the Company to a registered retirement savings plan ("RRSP") of $32,490.

(4) Effective January 1, 2023, Mr. MacKay was appointed Corporate Secretary of the Company in addition to his role as CFO.

(5) Effective January 10, 2023, Mr. Shea was appointed as Chief Technology Officer of the Company. Previously, he was Executive Vice President, Products.

(6) Mr. Spencer was promoted to Chief Operating Officer of the Company effective July 9, 2024. Previously, he was Vice President, Service Delivery and Special Projects.

(7) Canadian dollar equivalent of amounts paid in United States dollars calculated based on the following annual average exchange rates: US$1.00 = $1.39 (2025), US$1.00 = $1.370 (2024), and US$1.00 = $1.350 (2023).

(8) Ms. Adu was promoted to Executive Vice-President and Chief Commercial Officer effective April 23, 2024. Previously, she was Executive Vice-President, Commercial and Field Operations, following her promotion

from Vice President, Commercial on September 25, 2023. Ms. Adu departed from the Company as of April 10, 2026.

(9) Canadian dollar equivalent of amounts paid in British pounds sterling calculated based on the following annual average exchange rates: £1.00 = $1.8423 (2025), £1.00 = $1.7509 (2024), and £1.00 = $1.6781 (2023).

Incentive Plan Awards

Outstanding share-based awards and Option-based awards

The following table sets out, for the Company's Named Executive Officers, the awards outstanding as at December 31, 2025.

	Option-Based Awards				Share-Based Awards		
Name and Position as at December 31, 2025	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options ($) (1)**	**Number of Common Shares or Units of Common Shares that have not vested (#)**	**Market or payout value of Share-Based Awards that have not vested ($)**	**Market or payout value of vested Share-Based Awards not paid out or distributed ($)**
Greg Reid CEO and President	250,000 500,000 400,000	2.42 1.14 0.395	June 4, 2032 July 9, 2031 May 3, 2027	995,000 2,630,000 2,402,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Joseph MacKay CFO and Corporate Secretary	300,000 500,000 400,000	2.42 1.14 0.395	June 4, 2032 July 9, 2031 May 3, 2027	1,194,000 2,630,000 2,402,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
David Shea Executive Vice-President and Chief Technology Officer	300,000 500,000 400,000	2.42 1.14 0.395	June 4, 2032 July 9, 2031 May 3, 2027	1,194,000 2,630,000 2,402,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Nathaniel Spencer Executive Vice-President and Chief Operating Officer	200,000 900,000	2.42 1.14	June 4, 2032 July 9, 2031	796,000 4,734,000	Nil Nil	Nil Nil	Nil Nil
Lynne Adu Executive Vice-President and Chief Commercial Officer	300,000 500,000	2.42 1.14	June 4, 2032 July 9, 2031	1,194,000 2,630,000	Nil Nil	Nil Nil	Nil Nil

Note:

(1) This amount is calculated as the difference between the market value of Common Shares underlying the Options on December 31, 2025, being the last trading day of the Common Shares for the financial year ended December 31, 2025, and the exercise price of the Options. The closing market price per Common Share on December 31, 2025, was $6.40.

Incentive Plan Awards – value vested or earned during the year

The following table sets out, for the Company's Named Executive Officers, the value of all incentive plan awards issued during the financial year ended December 31, 2025.

Name	Option-Based Awards - Value vested during the year ($) (1)	Share-Based Awards - Value vested during the year ($)	Non-Equity Incentive Plan Compensation - Value earned during the year ($)
Greg Reid CEO and President	182,917	Nil	182,917
Joseph MacKay CFO and Corporate Secretary	196,943	Nil	196,943
David Shea Executive Vice President and Chief Technology Officer	196,943	Nil	196,943
Nathaniel Spencer Executive Vice President and Chief Operating Officer	256,625	Nil	256,625
Lynne Adu Executive Vice President and Chief Commercial Officer	196,077	Nil	196,077

Note:

(1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value of Options based on the following weighted average assumptions: (i) risk free interest rate of 2.75% (ii) expected dividend yield of 0%; (iii) expected volatility of 54.0%; and (iv) an expected term of 4.4 years.

Pension Plan Benefits

Until her departure from the Company on April 10, 2026, the Company contributed an amount equal to 5% of Ms. Adu's salary to a defined contribution pension plan for Ms. Adu in the United Kingdom.

Other Benefits and Perquisites

The Company makes the maximum allowable contributions under Canadian federal legislation to the Registered Retirement Saving Plans of Messrs. Reid, MacKay and Shea.

Executive Employment Agreements

Greg Reid, Joseph MacKay, and David Shea

In 2025, the Company entered into updated executive employment agreements with its President and CEO, its CFO and Corporate Secretary, its Executive Vice President and Chief Technology Officer, and its Executive Vice President and Chief Operating Officer(collectively, the "**Executive Employment Agreements**"), all of which contain substantially the same terms (except with respect to base salary and incentive eligibility) as set out below.

The Executive Employment Agreements have no fixed term and provide for an annual base salary, subject to annual review and increases at the discretion of the Board (see "*Summary Compensation Table*" for the salary for fiscal 2025 for each of Messrs. Reid, Shea, MacKay, and Spencer). The Executive Employment Agreements also provide for short- and long-term incentive plan compensation conditioned upon the respective executive officer's active employment with the Company on December 31st of the year for which such amount may be payable or equity compensation may be granted. For Mr. Reid, the annual short-term incentive plan bonus is valued at an amount equal to between nil and 60% of the then-current base salary; for Messrs. MacKay, Shea, and Spencer, the annual short-term incentive plan bonus is valued at an amount equal to between nil and 50% of the then-current base salary. For Mr. Reid, the annual long-term incentive award in any year of employment is valued at an amount equal to between nil and 120% of the then-current base salary; for Messrs. MacKay, Shea, and Spencer, the annual long-term incentive award in any year of employment is valued at an amount equal to between nil and 80% of the then-current base salary.

The Executive Employment Agreements include (i) non-solicitation and non-competition covenants in favour of the Company for 12 months following termination of the executive officer's employment with the Company; and (ii) non-disclosure covenants requiring the executive officer to maintain the confidentiality of the Company's confidential information and prohibiting its use other than on behalf of and for the benefit of the Company, both during employment and for an indefinite period thereafter.

If the Company terminates the employment of Mr. Reid, Mr. MacKay, or Mr. Shea without cause, the Company will pay to the applicable executive officer (i) any unpaid base salary, and any expenses properly incurred by such executive officer in accordance with the applicable Executive Employment Agreement and which the executive officer is owed at the time of termination (the "**Accrued Salary and Expense Payment**"); and (ii) the greater of (A) the executive officer's entitlements under applicable employment laws ("**Employment Laws**") upon termination, including, without limitation, notice, severance (if applicable), vacation accrual and benefit continuation; or (B) one year of base salary at the executive officer's then rate (the "**Termination Payment**"). The applicable Named Executive Officer's benefits in place prior to the termination date and vacation accrual shall continue throughout the applicable statutory notice period as established by applicable Employment Laws.

Further, in the event of termination of employment by the Company without cause within 12 months immediately following the occurrence of a Change of Control (as defined below), in addition to the amounts noted above, the Company shall be liable to the executive officer for an amount equal to 1.5 times the executive officer's base salary in effect at the time such notice of termination is given. For greater certainty, where the executive officer is entitled to payment due to termination following a Change of Control (as defined below), the payment required by this paragraph will be in addition to the Accrued Salary and Expense Payment but in lieu of and not in addition to the Termination Payment.

For purposes of the Executive Employment Agreements, "Change of Control" means the occurrence of one of the following:

(1) the issuance, acquisition or continuing ownership of the voting shares of the Company (or any subsidiaries thereof) as a result of which a person or group of persons (other than the executive officer and any person related to the executive officer) acting jointly or in concert (as defined in the *Securities Act* (Ontario)) or persons associated or affiliated within the meaning of the CBCA with any such person or group of persons (other than the executive officer and any person related to the executive officer) acting jointly or in concert (as defined in the *Securities Act* (Ontario)), beneficially own voting shares of the Company (or any subsidiaries thereof) that would entitle the holders thereof to cast more than 50% of the votes attaching to all shares in the capital of the Company (or any subsidiaries thereof) that may be cast to elect directors of the Company (or any subsidiaries thereof); or

(2) the exercise of the voting power of all or any of such voting shares (other than those owned or controlled by the executive officer and any person related to the executive officer) so as to cause or result in the election of less than a majority of the nominees of the

management of the Company to the Board at any shareholders meeting at which an election of directors takes place after the occurrence of the event contemplated in paragraph (1) above; or

(3) the sale, lease or transfer of at least 50% of the Company's assets to any other person or persons other than to an affiliate that assumes all of the obligations of the Company in respect of the executive officer including the assumption of the Executive Employment Agreement; or

(4) the entering into of a merger, amalgamation, arrangement or other reorganization by the Company (or any subsidiaries thereof) with another unrelated corporation resulting in a person or group of persons (other than the executive officer and any person related to the executive officer) acting jointly or in concert (as defined in the *Securities Act* (Ontario)) or persons associated or affiliated within the meaning of the CBCA with any such person or group of persons (other than the executive officer and any person related to the executive officer) acting jointly or in concert (as defined in the *Securities Act* (Ontario)), beneficially owning voting shares of the Company (or any subsidiaries thereof) that would entitle the holders thereof to cast more than 50% of the votes attaching to all shares in the capital of the Company (or any subsidiaries thereof) that may be cast to elect directors of the Company (or any subsidiaries thereof).

Lynne Adu

Lynne Adu was engaged as Executive Vice President, Chief Commercial Officer pursuant to an employment agreement dated March 29, 2019, as amended (the "**Adu Employment Agreement**") between Ms. Adu and Kraken Robotics Services UK Limited, a subsidiary of the Company. Pursuant to the Adu Employment Agreement, Ms. Adu was employed at an annual base salary of £150,000. She was eligible to participate in the incentive plans maintained for the benefit of the Named Executive Officers, as well as a group personal pension scheme, private health insurance scheme, life insurance scheme, and other benefit plans, and to receive a car allowance payment of £425 per month. The Adu Employment Agreement could be terminated by either party on 12 weeks' notice, and immediately by the Company for gross misconduct or if Ms. Adu ceases to be eligible to work in the United Kingdom. Ms. Adu departed from the Company as of April 10, 2026.

Termination and Change of Control Payments

The following table sets out the estimated payments that would have been made to the Named Executive Officers in the event of termination without cause or termination without cause within 12 months immediately following the occurrence of a Change of Control as of December 31, 2025(1):

Executive Officer	Termination Without Cause	Termination on a Change of Control
Greg Reid	CA$675,000	CA$900,000
Joseph MacKay	CA$370,000	CA$555,000
David Shea	CA$320,000	CA$480,000
Nathaniel Spencer	US$260,000	US$390,000

Note:

(1) The Named Executive Officers would not be entitled to any payments in the event of termination for cause, resignation, retirement or a change in responsibilities.

Compensation of Directors

The Company offers compensation to its directors that is designed to attract and retain committed and qualified directors and to align their interests with the long-term interests of shareholders.

Directors who also serve as employees receive no additional compensation for their services as directors. Greg Reid, President and Chief Executive Officer of the Company, was a member of the Board as well as an employee during the last financial year, and received no additional compensation for his service in that capacity. For information regarding his compensation, see *"Summary Compensation Table*" and "*Executive Employment Agreements*" above.

Directors who are not employees ("**non-employee directors**") are presently eligible to receive grants of Options under the Stock Option Plan and RSUs under the RSU Plan, subject to the terms and limitations set out in those plans. Directors may be reimbursed for travel and other expenses directly related to their activities as directors. The Company did not pay retainers or meeting fees to our non-executive directors for the Company's financial year ended December 31, 2025.

The following table sets forth all amounts of compensation provided to the non-employee directors for the Company's financial year ended December 31, 2025:

Director Name	Fees Earned ($)	Share-Based Awards ($)	Option-Based Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Michael Connor	Nil	Nil	51,718	Nil	Nil	Nil	51,718
Peter Hunter	Nil	Nil	63,129	Nil	Nil	Nil	63,129
Shaun McEwan	Nil	Nil	51,718	Nil	Nil	Nil	51,718
Kristin Robertson	Nil	Nil	84,157	Nil	Nil	Nil	84,157
Bernard Mills (2)	Nil	Nil	83,420	Nil	Nil	Nil	83,420

Note:

(1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value of Options based on the following weighted average assumptions: (i) risk free interest rate of 2.75% (ii) expected dividend yield of 0%; (iii) expected volatility of 54.0%; and (iv) an expected term of 4.4 years.

(2) As of January 11, 2026, Mr. Mills resigned from the Board.

Incentive Plan Awards

Outstanding share-based awards and Option-based awards

The following table discloses the particulars for each non-employee director for awards outstanding at the end of the financial year ended December 31, 2025:

	Option-Based Awards				Share-Based Awards		
Director Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($) (1)	Number of Common Shares or Units of Common Shares that have not vested (#)	Market or payout value of Share-Based Awards that have not vested ($)	Market or payout value of vested Share-Based Awards not paid out or distributed ($)
Michael Connor	100,000 100,000 400,000	2.42 1.14 0.395	June 4, 2032 July 9, 2031 May 3, 2027	398,000 526,000 2,402,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Shaun McEwan	100,000 100,000 400,000	2.42 1.14 0.395	June 4, 2032 July 9, 2031 May 3, 2027	398,000 526,000 2,402,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Peter Hunter	100,000 100,000 400,000	2.42 1.14 0.495	June 4, 2032 July 9, 2031 November 20, 2028	398,000 526,000 2,362,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Kristin Robertson	300,000	2.42	June 4, 2032	1,194,000	Nil	Nil	Nil
Bernard Mills (2)	100,000 100,000 400,000	2.42 1.14 0.59	June 4, 2032 July 9, 2031 December 7, 2027	398,000 526,000 2,324,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

Note:

(1) This amount is calculated as the difference between the market value of Common Shares underlying the Options on December 31, 2025, being the last trading day of the Common Shares for the financial year ended December 31, 2025, and the exercise price of the Options. The closing market price per Common Share on December 31, 2025, was $6.40.

(2) As of January 11, 2026, Mr. Mills resigned from the Board.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth the value of option- and share-based awards and share-based awards which vested or were earned during the financial year ended December 31, 2025, for each non-employee director:

Name	Option-Based Awards - Value vested during the year ($) (1)	Share-Based Awards - Value vested during the year ($)	Non-Equity Incentive Plan Compensation - Value earned during the year ($)
Michael Connor	51,718	N/A	N/A
Shaun McEwan	51,718	N/A	N/A
Peter Hunter	63,129	N/A	N/A
Kristin Robertson	84,157	N/A	N/A
Bernard Mills (2)	83,420	N/A	N/A

Note:

(1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value of Options based on the following weighted average assumptions: (i) risk free interest rate of 2.75% (ii) expected dividend yield of 0%; (iii) expected volatility of 54.0%; and (iv) an expected term of 4.4 years.
(2) As of January 11, 2026, Mr. Mills resigned from the Board.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at December 31, 2025, the number of Common Shares to be issued under the Company's equity compensation plans, the weighted-average exercise price of Options issued under the Stock Option Plan, and the number of Common Shares remaining available for future issuance under the equity compensation plans. As of the date hereof, there are 13,715,750 Options and nil RSUs outstanding under Kraken's equity incentive plan. There are no equity-based compensation plans not approved by shareholders.

Plan Category	Number of Common Shares to be issued upon exercise or settlement of outstanding securities (a)	Weighted-average exercise price of outstanding Options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	13,715,750	$1.31	16,944,878(1)(2)
Total	**13,715,750**	**$1.31**	**16,944,878**(1)(2)

Notes:

(1) The Stock Option Plan and the RSU Plan are 10% "rolling" plans under which the maximum number of Common Shares that may be reserved for issuance is 10% of the issued and outstanding Common Shares at the time of any grant, less any Common Shares reserved for issuance under the Company's other share compensation arrangements. Accordingly, Common Shares reserved for issuance under either plan reduce the number of Common Shares available for reservation under both plans.
(2) Based on 306,606,285 Common Shares issued and outstanding as at December 31, 2025.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors, executive officers, employees, former directors, former executive officers or former employees, nor any of its subsidiaries, or any of their respective associates, is or has, within 30 days before the date of this Circular or at any time since the beginning of the most recently completed financial year, been indebted to the Company or any of its subsidiaries, or to another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's financial year ended December 31, 2025, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, 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. 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 Common Shares.

AUDIT COMMITTEE

Audit Committee Charter

The charter of the Audit Committee (the "**Audit Committee Charter**"), the text of which is attached as Schedule "A" to this Circular, was adopted by our Audit Committee and the Board.

Composition of the Audit Committee

As of the date of this Circular, the Audit Committee is composed of the following members:

Name	Independent (1)	Financially Literate (1)
Kim Butler (Chair)	Yes	Yes
Kristin Robertson	Yes	Yes
Don Robertson	Yes	Yes

Note:

(1) As such term is defined in National Instrument 52-110 *Audit Committees* ("**NI 52-110**").
(2) For the fiscal year ended December 31, 2025 and up to January 11, 2026, the Audit Committee consisted of Shaun McEwan (Chair), Peter Hunter, and Bernard Mills.
(3) From January 12, 2026 to April 14, 2026, the Audit Committee consisted of Shaun McEwan (Chair), Peter Hunter, and Kim Butler.

Relevant Education and Experience

The educational background or experience of the Audit Committee members has enabled each to perform his/her responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

Each member of the Audit Committee has a general understanding of the accounting principles we use to prepare our financial statements and will seek clarification from our auditor, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing or evaluating financial statements similar to our financial statements.

- **Kim Butler (Chair)** – Ms. Butler has more than 35 years of executive experience in financial, operational, and governance roles with Canadian and multinational organizations, both publicly traded and private. She has served as a board member and Chair of Audit and Special Committees for leading companies in technology, utilities, and defence, and is recognized for her expertise in corporate governance, strategic planning, and mergers and acquisitions. Ms. Butler holds both the CPA and ICD-D designations.

- **Kristin Robertson** – Ms. Robertson is a highly-experienced, recognized C-suite executive with experience leading complex portfolios. She has extensive knowledge of disruptive technology, digital practices and methodologies across the lifecycle in the defense, space, intelligence, and commercial sector and is a trusted leader with a successful track record delivering transformational results by empowering teams for more than two and half decades.

- **Don Robertson** – Mr. Robertson currently serves as Chair of the audit committee and a member of the board of directors for Bragg Gaming Group, a TSX and Nasdaq listed technology provider. He previously served as Chair of the Audit Committee for Orillia Power Generation Corporation, as Managing Director and Head of Global Mergers and Acquisitions for Scotiabank, and as Chief Executive Officer, Canada and Head of Corporate Finance, Americas at Standard Chartered Bank. Mr. Robertson holds a Bachelor of Commerce (Honours) from Laurentian University, and an MBA from the Schulich School of Business.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4), (5) and (6) provide exemptions from a majority of the Audit Committee being composed of executive officers, employees or control persons. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engagement of non-audit services as described in the Audit Committee Charter set out in Schedule "A" to this Circular.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the last three financial years. In the table below, "Audit Fees" are fees billed by our external auditor for services provided in auditing our financial statements for the financial year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the audit or reviewing our financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditor for products and services not included in the previous categories.

Effective September 14, 2023, KPMG LLP, former auditor of the Company, resigned as auditors at the Company's request and the Board appointed Ernst & Young LLP, Chartered Accountants, as its successor auditor.

The fees noted in the table below for the year ended December 31, 2023 were paid to KPMG LLP. The fees noted in the table below for the year ended December 31, 2024 and December 31, 2025 were paid to Ernst & Young LLP.

Financial Year Ended	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
December 31, 2025	742,394	149,365	Nil	89,514
December 31, 2024	367,000	89,000	Nil	149,290
December 31, 2023	32,329	65,300	Nil	5,368

Exemption

The Company is relying on the exemption provided in section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2 and disclosed in this Circular.

CORPORATE GOVERNANCE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.

The independent members of the Board are Shaun McEwan (Chair), Peter Hunter, Michael Connor, Kim Butler, Kristin Robertson and Don Robertson. Greg Reid is not an independent director by virtue of being the current President and CEO of the Company.

1. Board Mandate

The mandate of the Board, as prescribed by the CBCA, is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The Board delegates authority and responsibility to deal with specified matters to the Company's standing committees, which consist of the Audit Committee, Compensation Committee and Governance Committee. Committees analyze policies and strategies developed by management that are consistent with their respective written charters outlining their duties and responsibilities. Such written charters are established and amended as required by the Board. They examine proposals and, where appropriate, report and make recommendations to the Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

2. Directorships

The following directors of the Company are directors of other reporting issuers:

Name of Director	Name of Reporting Issuer(s)
Don Robertson	Bragg Gaming Group (TSX/NASDAQ)

3. Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

4. Ethical Business Conduct

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

5. 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. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee. The Board is responsible for recruiting new members to the Board and planning for the succession of Board members.

6. Compensation

The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options and/or RSUs, to be granted to the CEO of the Company 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 Board considers: (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (b) providing fair and competitive compensation; (c) balancing the interests of management and the Company's shareholders; (d) rewarding performance, both on an individual basis and with respect to operations in general; and (e) permitted compensation under Exchange policies.

7. Committees of the Board

The Board does not have any committees other than the Audit Committee, Compensation Committee, and Governance Committee.

8. Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee, the Compensation Committee, the Governance Committee, or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

9. Diversity of the Board and Senior Management

As a federal distributing corporation incorporated under the CBCA, the Company is required to disclose information annually to its shareholders and Corporations Canada on the diversity of its Board and senior management on the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada)) (the "**Designated Groups**").

Diversity of the Board and Senior Management

The Company has not adopted a formal written policy regarding the diversity of the Board or senior management. The Company does not believe a formal policy would increase the representation of Designated Groups beyond how the Company currently nominates and appoints individuals to the Board and senior management. The Company considers all qualified individuals for each position that may arise.

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of members of the Designated Groups is one factor taken into consideration during the search process for directors and members of the senior management.

In assessing potential directors and members of the senior management, the Company focuses on the skills, expertise, experience and independence which the Company requires to be effective. Due to the small size of the Board and the management team, and the stage of development of the Company's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of representation of members of Designated Groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

Director Term Limits and Other Mechanism of Board Renewal

The Company has not adopted term restrictions for directors or other mechanisms of Board renewal that would limit the time an individual could serve on the Board. Imposing a term limit would require the Company to remove an individual that has acquired extensive knowledge and an understanding of the operations of the Company. Accordingly, the Company believes that removing an individual solely on length of service would not benefit the shareholders of the Company. Each member of the Board is put forth, for election or re-election, to shareholders annually.

Targets for Representation of Designated Groups on the Board and among Senior Management

The Company has not established quotas or targets for representation of individuals from the Designated Groups to the Board or senior management. The Company believes that focusing on a quota or target rather than on skills and experience would limit the Company's ability to provide shareholders with a Board or senior management that meets the qualifications and needs of the Company and its shareholders.

Representation of Designated Groups among Board and Senior Management

As of the date hereof, out of the seven members of the Board, two (28%) identify as a member of a Designated Group, and out of a total of nine members of senior management, one person (11%) identifies as a woman, and one (11%) identifies as a member of any other Designated Group.

MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

PARTICULARS OF MATTERS TO BE ACTED UPON

Appointment of Auditor

At the Meeting, Ernst & Young LLP, Chartered Accountants, will be recommended by management and the Board for reappointment as auditor of the Company at a remuneration to be fixed by the Board.

Ernst & Young LLP, Chartered Accountants, is the Company's auditor, and was first appointed as the Company's auditor on September 21, 2023, by the Board, upon the recommendation of the Audit Committee.

Unless otherwise instructed, the Management Proxyholders intend to vote FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the Board.

Approval of the New Omnibus Incentive Plan

The Company presently has long-term incentive plans in place, being the prior Stock Option Plan and RSU Plan (together, the "**Existing Plans**"). The Existing Plans were most recently approved by the shareholders on June 23, 2025.

The Board has determined that it is in the best interest of the Company to replace the Existing Plans by adopting a new Omnibus Incentive Plan (the "**Omnibus Incentive Plan**"), in order to provide for the grant of Options, RSUs, deferred shares units ("**DSUs**") and performance share units ("**PSUs**" and together with the Options, RSUs and DSUs, the "**Awards**") in accordance with TSXV Policy 4.4 - *Security Based Compensation* ("**Policy 4.4**"). Each Award will represent the right to receive Common Shares of the Company or, in the case of PSUs, RSUs and DSUs, Common Shares of the Company or cash, or a combination thereof, in accordance with the terms of the Omnibus Incentive Plan.

The Omnibus Incentive Plan is intended to provide additional incentive and a flexible framework that enables the Company to attract, motivate and retain the key executives who are essential to the Company's long-term success. The Board is of the view that the Omnibus Incentive Plan will align the interests of such participants with those of the shareholders by providing an opportunity to participate in the appreciation of the Company's value, thereby fostering the continued growth and development of the Company and its business.

Pursuant to Policy 4.4, the Company is required to obtain shareholder approval of the Omnibus Incentive Plan in connection with the implementation thereof, and in specified circumstances, amendments thereto. Accordingly, at the Meeting, the shareholders of the Company will be asked to pass an ordinary resolution to approve the Omnibus Incentive Plan. A copy of the Omnibus Incentive Plan is attached hereto as Schedule "B". Set forth below is a summary of the Omnibus Incentive Plan. The following summary is qualified in all respects by the provisions of the Omnibus Incentive Plan. Reference should be made to the Omnibus Incentive Plan for the complete provisions thereof. Capitalized terms used in the following summary shall have the meanings ascribed to them in the Omnibus Incentive Plan.

Summary of the Omnibus Incentive Plan

Under the terms of the Omnibus Incentive Plan, the Board, or if authorized by the Board, the applicable Board committee, may grant Awards to eligible participants, as applicable. Participation in the Omnibus Incentive Plan will be voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. No interest of any participant in any Award is assignable or transferable, whether voluntarily or by operation of law, other than by will or by the laws of succession of the domicile of the deceased participant. No Award granted under the Omnibus Incentive Plan may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of.

The Omnibus Incentive Plan will provide that appropriate adjustments, if any, will be made by the Board in connection with any stock dividend, stock split, combination or exchange of the Common Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the Common Shares for the purpose of preserving the value of the Awards under the Omnibus Incentive Plan.

The maximum aggregate number of Common Shares reserved for issuance under the Omnibus Incentive Plan and under all other equity compensation arrangements of the Company will be 10% of the aggregate number of Common Shares issued and outstanding from time to time. For the purposes of calculating the maximum number of Common Shares reserved for issuance under the Omnibus Incentive Plan and under all other equity compensation arrangements of the Company, unless the Common Shares are then listed on the TSXV, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company will not be included. All of the Common Shares formerly reserved under Awards that are then settled in cash, cancelled or otherwise terminated will automatically become available for the purposes of Awards that may be subsequently granted under the Omnibus Incentive Plan. As a result, the Omnibus Incentive Plan will be considered an “evergreen” plan.

The maximum number of Common Shares that may be: (a) issued to insiders of the Company within any one-year period; or (b) issuable to insiders of the Company at any time, in each case, under the Omnibus Incentive Plan alone, or when combined with all of the Company’s other security-based compensation arrangements, cannot exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time. In addition, subject to the other limitations on grants set forth in the Omnibus Incentive Plan, if the Common Shares become listed for trading on the TSX, the total annual grant to any one non-employee director under the Omnibus Incentive Plan and all other security-based compensation arrangements shall not exceed an aggregate fair market value of $100,000 in Options and $150,000 in all Awards.

Unless the Board determines otherwise, or as otherwise set out in the participant’s employment or grant agreement, the participant’s grant agreement will provide that any Options granted will vest over a four-year period following the date of the grant, with twenty-five percent (25%) of the total number of Options forming part of any grant to vest on each anniversary date after the date of the grant, commencing on the first anniversary date of the grant. An Option will be exercisable during a period established by the Board which will commence on the date of the grant and will terminate no later than 10 years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined as follows: (i) for so long as the Common Shares are listed on the TSXV, the exercise price will not be less than the Discounted Market Price; and (ii) if the Common Shares are not listed on the TSXV, the exercise price will not be less than the Market Price on the grant date of such Option. The Omnibus Incentive Plan will provide that the exercise period will automatically be extended if the date on which it is scheduled to terminate shall fall 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. In such cases, the extended exercise period will terminate 10 business days after the last day of the Black-Out Period. In order to facilitate the payment of the exercise price of the Options, the Omnibus Incentive Plan has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the Omnibus Incentive Plan, including the consent of the Board, where required.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Incentive Plan, including termination for cause, resignation, retirement and termination other than for cause, and death or long-term disability, subject to the terms of a participant’s employment agreement, grant agreement, applicable employee standards legislation and the change of control provisions described below:

Event	Options	RSUs and PSUs
Termination for Cause	Immediate termination of all vested and unvested Options	Immediate termination of all unvested RSUs and PSUs. Vested and unsettled RSUs and PSUs will be settled.
Resignation for Good Reason, retirement and termination other than for Cause	Termination of all unvested Options and expiry of vested Options the earlier of the original Expiry Date and 90 days after the applicable Termination Date.	Immediate termination of all unvested RSUs and PSUs. Vested and unsettled RSUs and PSUs will be settled.
Death or Disability	Termination of all unvested Options and expiry of vested Options the earlier of the original Expiry Date and 12 months after date of death or Disability.	A pro rata portion of each unvested RSU and PSU held by the participant, based on the number of complete months of active service or employment of the participant between the grant date of the RSU or PSU and the date of death or Disability relative to the number of months in the original vesting period associated with such award, will immediately vest. Achievement of any performance criteria will be determined on a pro rata basis by the Board in its sole discretion. All remaining unvested RSUs and PSUs will immediately terminate. Vested and unsettled RSUs and PSUs will be settled.

The terms and conditions of grants of RSUs, PSUs and DSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, termination provisions, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant's applicable grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for Cause, resignation, retirement, termination other than for cause and death or Disability, will be as described above, or as determined by the Board and set out in the participant's applicable grant agreement. Grants of RSUs and PSUs will allow participants to acquire Common Shares at a purchase price, as determined by the Board, subject to such restrictions, limitations and conditions as the Board may determine at the time of grant. The purchase price may be zero, and below market price for the Common Shares.

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 the Common 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 Company on each Common Share, and dividing the result by the Market Price (as defined in the Omnibus Incentive Plan) 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 shall be settled in Cash Equivalents and 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 grant agreement.

In connection with a Change of Control Event of the Company, the Board may cause all Awards then outstanding to be substituted by or replaced with awards of the continuing entity on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards. Alternatively, the Board may, in its discretion: (a) terminate any vested Award in exchange for an amount of cash and/or property equal in value to the amount that would have been attained upon the exercise of such Award as of the date of the Change of Control Event; (b) replace such Award with other rights or property selected by the Board; or (c) any combination of the foregoing. If the continuing entity will not agree to appropriately substitute or replace the unvested Awards, the vesting of all then outstanding Awards (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will, at the sole discretion of the Board, be accelerated in full and be dealt with by the Board in accordance with the foregoing. Despite anything to the contrary in the Omnibus Incentive Plan, the Board will have the power, in its sole discretion, to modify the terms of the Omnibus Incentive Plan and/or the Awards to assist participants in tendering to a transaction leading to a change of control event including the ability to accelerate the vesting of Awards and to permit participants to conditionally exercise or settle their Awards. If a participant is terminated without cause or resigns for good reason during the 12-month period following a change of control event, then the vesting of all Awards then held by such participant (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will be accelerated in full, except that in the event that an Award is subject to vesting upon the attainment of performance criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable performance criteria up to the date of termination or resignation.

The Board may suspend or terminate the Omnibus Incentive Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Incentive Plan or of any Award granted under the Omnibus Incentive Plan and any grant agreement relating thereto, subject to compliance with applicable law and any required shareholder, regulatory and/or stock exchange approval, provided that any such amendment or revision to an outstanding Award may not materially adversely affect the rights of any participant under the Omnibus Incentive Plan without such participant's consent.

Pursuant to the terms of the Omnibus Incentive Plan and subject to the applicable rules of the stock exchange on which the Common Shares are then listed, approval from the holders of Common Shares will not be required for the following amendments, and the Board may make any amendments to the Omnibus Incentive Plan or to any Awards from time to time which may include but are not limited to:

a) any amendment to the vesting provisions of the Omnibus Incentive Plan or any Award;

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

c) any amendment which accelerates the date on which any Award may be exercised under the Omnibus Incentive Plan in accordance with the change of control, termination or adjustment provisions of the Omnibus Incentive Plan;

d) any amendment necessary to comply with applicable law or the requirements of any Stock Exchange or any other regulatory body having authority over the Company, this Plan or the shareholders;

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

f) any amendment regarding the administration of the Omnibus Incentive Plan; and

g) any amendment to qualify Awards for favourable tax treatment.

Pursuant to the terms of the Omnibus Incentive Plan, the approval of shareholders is required for any amendments that:

a) amend the definition of Eligible Person under the Omnibus Incentive Plan;

b) increase the maximum number of Common Shares issuable under the Omnibus Incentive Plan, other than an adjustment pursuant to the terms of the Omnibus Incentive Plan described above;

c) reduce the Exercise Price or purchase price (in respect of the settlement of RSUs, PSUs and/or DSUs) of an Award;

d) extend the term of an Award (including the Expiry Date of an Option);

e) provide for the cancellation and reissue of Awards, other than an adjustment pursuant to the terms of the Omnibus Incentive Plan described above;

f) extend the Expiry Date or term of an Award, except in case of an extension due to a Black-Out Period;

g) remove or exceed the insider participation limits set out in the Omnibus Incentive Plan;

h) increase the maximum number of Common Shares that may be issuable to any one participant within a one-year period;

i) if the Common Shares are listed for trading on the TSX, remove or exceed the non-employee director grant limits;

j) provide for the cancellation or termination of an Award prior to the expiry of its term for the purposes of reissuing an Award to the same participant;

k) permit Awards to be transferable or assignable other than by will or by the laws of succession of the domicile of the deceased participant; and

l) amend any of the amendment provisions of the Omnibus Incentive Plan.

The Company does not intend to provide any form of financial assistance to participants in connection with the Omnibus Incentive Plan.

Shareholder Approval of the Omnibus Incentive Plan

At the Meeting, the shareholders will be asked to consider, and if thought fit, to pass, with or without variation, an ordinary resolution (the "**Omnibus Incentive Plan Resolution**") approving the Omnibus Incentive Plan. The full text of the Omnibus Incentive Plan Resolution is set out below. If shareholders do not approve the Omnibus Incentive Plan, the Existing Plans will remain in full force and effect as the Company's only equity compensation plans.

In order to be passed, the Omnibus Incentive Plan Resolution requires the approval of a majority of the votes cast thereon by shareholders present or represented by proxy at the Meeting. A copy of the Omnibus Incentive Plan is attached hereto as Schedule "B".

At the Meeting, shareholders will be asked to pass following ordinary resolution approving the Omnibus Incentive Plan (the "**Omnibus Incentive Plan Resolution**"):

"**BE IT RESOLVED, as an ordinary resolution, that:**

1. The Omnibus Incentive Plan adopted by the board of directors of the Company (the "**Board**") on May 10, 2026 (the "**Omnibus Incentive Plan**"), substantially in the form attached as Schedule "B" to the management information circular of the Company dated May 14, 2026, is hereby confirmed and approved, subject to applicable stock exchange approval;

2. The Board is hereby authorized to make such amendments to the Omnibus Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Omnibus Incentive Plan, the approval of the shareholders of the Company; and

3. Any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions."

Recommendation of Directors

The Board unanimously recommends that shareholders vote FOR the Omnibus Incentive Plan Resolution.

Unless the shareholder has specified in the enclosed proxy that the Common Shares represented by such proxy are to be voted against the Omnibus Incentive Plan Resolution, the persons named in the enclosed proxy will vote FOR the Omnibus Incentive Plan Resolution.

Approval of the New By-Laws

The Company has recently undertaken a review of the old by-laws of the Company (the "**Old By-Laws**"), particularly in light of evolving best practices, and determined that it would be in the best interests of the Company to implement a new by-law (the "**New By-Law No. 1**") to replace the Old By-Laws entirely, so that the Company may incorporate such best practices and implement certain other desirable changes to its governance.

The full text of New By-Law No. 1 is attached to this Circular as Schedule "C".

The New By-Law No. 1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meeting, signing authorities, the appointment of officers, the authority of persons to contract on behalf of the Company and similar matters. In particular, the New By-Law No. 1 contains the following principal updates:

- **Advanced Notice**: the New By-Law No. 1 introduces an advance notice requirement for nominations of directors, which did not exist in the Old By-Laws. The New By-Law No. 1 establishes a framework for advance notice of nominations of directors by Shareholders. The advanced notice provisions are intended to: (i) facilitate an orderly and efficient annual and general or special meeting process, (ii) ensure that all Shareholders receive adequate notice of and sufficient information in respect of director nominees, and (iii) allow Shareholders to make an informed voting decision by providing reasonable time for appropriate consideration. Pursuant to the advance notice provisions, advance notice in proper written form is required to be given to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders, as follows:
  - For annual meetings of Shareholders, such notice must be given not less than 30 days and not more than 65 days prior to the date of the meeting; however, where the annual meeting date is announced less than 50 days in advance, a nominating Shareholder may deliver notice not later than the close of business on the 10th day following the date of the first public announcement of the meeting date.
  - For special meetings called for the purpose of electing directors, notice must be given not later than the close of business on the 15th day following the date of the first public announcement of such meeting.

  Provided however, where the Company uses notice-and-access to send proxy-related materials in connection with a meeting, and the first public announcement of the meeting date is not less than 50 days prior to the meeting, the nominating Shareholder's notice must be received not less than 40 days prior to the date of the applicable meeting.

The Board may, in its sole discretion, waive any or all requirements of the Advance Notice requirements.

- **Borrowing**: the New By-Law No. 1 introduces more detailed borrowing language that expressly authorizes the Board to borrow money on the Company's credit, issue debt securities (whether secured or unsecured), provide financial assistance to any person to the extent permitted by the CBCA, and mortgage, hypothecate, pledge, or otherwise create security interests in the Company's property to secure indebtedness or other obligations.
- **Electronic Meetings**: the New By-Law No. 1 expands the provisions relating to electronic participation in Shareholder meetings. The New By-Law No. 1 introduces express electronic voting provisions which provisions are intended to modernize the Company's meeting framework and provide a clearer structure for virtual and hybrid Shareholder meetings.
- **Urgent Meetings of the Board**: the New By-Law No. 1 provides the ability to call an urgent meeting of the Board on at least two (2) hours notice in circumstances where it is reasonably determined that the matter is urgent and requires immediate attention.
- **Indemnification**: the New By-Law No. 1 enhances the Company's indemnification framework for, among others, directors, officers, and former directors and officers, against all costs, charges, and expenses reasonably incurred in connection with any civil, criminal, administrative or other proceedings, subject to the individual having acted honestly and in good faith.

On May 10, 2026, the Board approved the repeal of the Old By-Laws and the adoption of the New By-Law No. 1 (collectively, the "**By-Law Amendments**"). The By-Law Amendments became effective upon being approved by the Board; however, under the CBCA, the Board is required to submit the By-Law Amendments to the shareholders at the next meeting of the shareholders of the Company, at which time the shareholders may confirm, reject or amend the By-Law Amendments. At the Meeting, shareholders will be asked to consider and, if thought fit, pass, with or without variation, a resolution to confirm, ratify and approve the repeal of the Old By-Laws and to confirm, ratify and approve the New By-Law No. 1 (the "**By-Law No. 1 Resolution**"). If the By-Law No. 1 Resolution is approved by the shareholders, the By-Law Amendments will continue to be effective. Failing confirmation by the shareholders at the Meeting, the By-Law Amendments will terminate and be of no further force or effect.

At the Meeting, shareholders will be asked to pass following ordinary resolution approving the By-Law Amendments (the "**By-Law No. 1 Resolution**"):

"**BE IT RESOLVED, as an ordinary resolution, that:**

1. By-Law No. 1 of the Company, in the form attached as Schedule "C" to the management information circular of the Company dated May 14, 2026, as previously adopted by the board of directors of the Company (the "**Board**") on May 10, 2026, is hereby ratified, approved and confirmed as a by-law of the Company;

2. The repeal of all previous by-laws of the Company by the Board on May 10, 2026, is hereby ratified, approved and confirmed; and

3. any one or more of the directors or officers of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination, provided such actions are carried out within the limit of the law."

Recommendation of Directors

The Board unanimously recommends that shareholders vote FOR the By-Law No. 1 Resolution.

Unless the shareholder has specified in the enclosed proxy that the Common Shares represented by such proxy are to be voted against the By-Law No. 1 Resolution, the persons named in the enclosed proxy will vote FOR the By-Law No. 1 Resolution.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company's financial statements for the financial year ended December 31, 2025, and related management's discussion and analysis ("**MD&A**"), which were filed on SEDAR+ on April 26, 2026. Copies are available upon request in writing to the Company's Chief Financial Officer and Corporate Secretary at 189 Glencoe Drive, Mount Pearl, Newfoundland, A1N 4P6.

DATED at Mount Pearl, Newfoundland, on the 14th day of May, 2026.

BY ORDER OF THE BOARD

"Shaun McEwan"
Shaun McEwan
Chair of the Board

SCHEDULE "A"

Charter of the Audit Committee of the Board of Kraken Robotics Inc. (the "Company")

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the Board of the Company (the "**Board**") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

(a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) recommend to the Board the compensation of the external auditor;

(c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;

(e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;

(f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;

(g) establish procedures for:

    (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

    (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

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SCHEDULE “B”

OMNIBUS INCENTIVE PLAN

KRAKEN ROBOTICS INC.

OMNIBUS INCENTIVE PLAN

Effective as of June ___, 2026

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KRAKEN ROBOTICS INC.
OMNIBUS INCENTIVE PLAN

Kraken Robotics Inc. hereby establishes an Omnibus Incentive Plan for certain qualified directors, officers, employees and Consultants (as defined herein), providing ongoing services to the Company and/or its Subsidiaries (as defined herein).

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

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

"**Affiliate**" has the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions;

"**Associate**" has the meaning specified in Section 1(1) of the *Securities Act* (Ontario);

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

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

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

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

"**Broker**" has the meaning specified in Section 9.1(8);

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are authorized or obligated by law to close for business in Toronto, Ontario, Canada;

"**Cancellation**" has the meaning specified in Section 2.4(6);

"**Cash Equivalent**" means:

(a) 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 9.1(7), on the applicable settlement date; and

(b) in the case of DSUs, 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 9.1(7), on the date the Company receives, or is deemed to receive, the redemption notice;

"**Cause**" means: (a) if the Participant has an employment agreement with any enforceable definition of "**cause**" or "**just cause**", "**cause**" or "**just cause**" as defined therein; (b) if the Participant does not have an employment agreement or the employment agreement does not contain any definition of "**cause**" or "**just cause**", the definition included in the Award Agreement;

or (c) in all other cases, (i) the inability of the Participant to perform their duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (ii) any material breach by the Participant of their obligations under any code of ethics, code of business conduct or any applicable policies or procedures of the Company or Subsidiary in effect from time to time, (iii) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud that would be permitted under applicable law to be grounds for termination for cause, (iv) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee or (v) with respect to Participants who do not have an enforceable definition of "**cause**" or "**just cause**" in their employment agreement and who are subject to ESL, then Statutory Cause;

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

(a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company's then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company's equity incentive plans;

(b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the Shareholders 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 Company immediately prior to such transaction;

(c) the sale, lease, exchange, license or other disposition of all or substantially all of the Company's assets to a person other than a person that was an Affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by Shareholders in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;

(d) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);

(e) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(f) notwithstanding any of the foregoing, any other matter determined by the Board to be a Change of Control Event;

"**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

"**Company**" means Kraken Robotics Inc., a company existing under the laws of Canada, and includes any successor company thereto;

"**Consultant**" means an individual, other than an employee, executive officer or director of the Company or of a Subsidiary, that for a period of 12 months or more,

(a) is engaged to provide services to the Company or a Subsidiary, other than services provided in relation to a distribution of the Company's securities;

(b) provides the services under a written contract with the Company or a Subsidiary; and

(c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary; and includes, for an individual consultant, a company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

"**continuing entity**" has the meaning specified in Section 6.1(1);

"**Disability**" means: (a) if the Participant has an employment agreement in which "**disability**" is defined, "**disability**" as defined therein; (b) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of "**disability**", as defined in the Award Agreement; or (c) in all other cases, the inability of a Participant to perform substantially all of such Participant's duties and responsibilities to the Company or any Subsidiary as a result of any illness, injury, accident or condition of either a physical or psychological nature suffered by such Participant, with or without reasonable accommodation, for 180 consecutive days and is likely to continue, as determined by a physician reasonably selected by the Company or Subsidiary;

"**Discounted Market Price**" has the meaning ascribed thereto in Policy 1.1 – *Interpretation* of the TSXV Corporate Finance Manual;

"**Dividend Share Units**" has the meaning ascribed thereto in Section 8.2 hereof;

"**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 5 hereof;

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

"**DSU Redemption Deadline**" has the meaning ascribed thereto in Section 5.3(1) hereof;

"**DSU Redemption Notice**" has the meaning ascribed thereto in Section 5.3(1) hereof;

"**Effective Date**" has the meaning specified in Section 10.15;

"**Eligible Charitable Organization**" has the meaning ascribed thereto in Policy 4.4 – *Securities Base Compensation* of the TSXV Corporate Finance Manual;

"**Eligible Person**" has the meaning specified in Section 2.3;

"**ESL**" means the employment/labour standards legislation applicable to a Participant's relationship with the Company or the Subsidiary for which the Participant is rendering services, as amended or replaced;

"**Exercise Price**" has the meaning specified in Section 3.2;

"**Expiry Date**" has the meaning specified in Section 3.4(1);

"**Good Reason**" means:

(a) if the Participant has an employment agreement in which "**good reason**" is defined, "**good reason**" as defined therein;

(b) a substantial diminution in the Participant's authorities, duties, or responsibilities from those in effect immediately prior to a Change of Control Event;

(c) the Company requires the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant's principal job location or office immediately prior to a Change of Control Event, except for required travel on Company business to an extent substantially consistent with the Participant's business obligations immediately prior to a Change of Control Event;

(d) a reduction in the Participant's base salary (other than as part of a broader reduction of salaries to a number of employees of the Company due to financial circumstances of the Company), or a substantial reduction in the Participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control Event;

(e) the failure to increase the Participant's base salary in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Change of Control Event or with practices implemented subsequent to the Change of Control Event with respect to similarly positioned employees; or

(f) the failure of the Company to continue in effect the Participant's participation in the Company's Share Compensation Arrangements and any employee benefit and retirement plans, policies or practices, at a level substantially similar or superior to and on a basis consistent with the relative levels of participation of other similarly-positioned employees, as existed immediately prior to a Change of Control Event;

"**Insider**" (i) if the Shares are listed on the TSXV, has the meaning ascribed to such term in Section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV; or (ii) if the Shares are not listed on the TSXV, means a "reporting insider" of the Company as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and includes Associates and Affiliates of such "reporting insider";

“**Investor Relations Activities**” has the meaning ascribed to such term in Section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV;

“**Investor Relations Service Provider**” means any Consultant that performs Investor Relations Activities and any director or employee of the Company whose role and duties primarily consist of Investor Relations Activities;

“**Market Price**” means, with respect to any date on which the market price of Shares must be determined, the “Market Price” will be equal to:

(a) if the Shares are listed on the TSXV, the closing price of the Shares on the TSXV on the last trading day immediately preceding the applicable date;

(b) if the Shares are listed on the TSX, the VWAP of the Shares on the TSX for the five (5) trading days immediately preceding the applicable date;

(c) if the Shares are listed on a Stock Exchange, but not then listed on either the TSX or the TSXV, the VWAP of the Shares on the Stock Exchange on which the majority of the trading in the Shares occurs for the five (5) trading days immediately preceding the applicable date; or

(d) if the Shares are not listed on any Stock Exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive evidence of fair value and binding on all persons;

“**Maximum Issuable**” has the meaning specified in Section 2.4(3);

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

“**Option Period**” has the meaning specified in Section 3.4(1);

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

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

“**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 Company and/or of its Subsidiaries and/or achievement of corporate goals and strategic initiatives, and that may be used to determine the vesting of the Awards, when applicable;

“**Performance Period**” means the period determined by the Board pursuant to Section 4.3;

“**Plan**” means this Kraken Robotics Inc. Omnibus Incentive Plan, as it may be further amended or amended and restated from time to time;

“**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 4 hereof and subject to Performance Criteria and the terms and conditions of this Plan;

"**PSU Agreement**" means a notice from the Company to a Participant evidencing the grant of PSUs and the terms and conditions thereof as the Board may approve from time to time;

"**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 (or the Cash Equivalent or a combination of Shares and the Cash Equivalent) as determined by the Board in its sole discretion;

"**Retirement**" means the voluntary resignation from the employment of a Participant with the Company or a Subsidiary which shall only be deemed to be a retirement by a resolution of the Board in its sole discretion;

"**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 4 hereof and subject to the terms and conditions of this Plan;

"**RSU Agreement**" means a notice from the Company to a Participant evidencing the grant of RSUs and the terms and conditions thereof as the Board may approve from time to time;

"**Section 409A**" means section 409A of the Code and the regulations and guidance promulgated thereunder;

"**Separation from Service**" means, with respect to a U.S. Participant, any event that may qualify as a separation from service from the Company and its Subsidiaries under Treasury Regulation Section 1.409A-1(h). A U.S. Taxpayer shall be deemed to have separated from service from the Company and its Subsidiaries if the U.S. Participant dies, retires, or otherwise has a termination of employment and/or services as defined under Treasury Regulation Section 1.409A-1(h);

"**Share**" means a common share in the capital of the Company;

"**Share Compensation Arrangement**" means any stock option, employee stock option plan or any other compensation or incentive mechanism of the Company involving the issuance or potential issuance of Shares from treasury to one or more Eligible Persons of the Company or a Subsidiary, including without limitation this Plan. For greater certainty, a "**Share Compensation Arrangement**" does not include a security-based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company;

"**Share Unit**" means an RSU and/or PSU, as the context requires;

"**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;

"**Shareholders**" means the holders of Shares in the capital of the Company, as the context requires;

"**Statutory Cause**" means the occurrence of such misconduct, or such other grounds, as will entitle an employer to terminate the employment of the Participant without any obligation to provide the Participant with statutory notice, statutory pay in lieu of notice, statutory indemnity in lieu of notice, or statutory severance, as applicable;

“**Stock Exchange**” means the TSXV or, if the Shares are not listed or posted for trading on the TSXV at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

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

“**Subsidiary**” means a company, partnership or other body corporate that is controlled, directly or indirectly, by the Company;

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

“**Termination Date**” means:

(a) the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or engagement with the Company and/or its Subsidiaries for any reason, whether lawful or unlawful, including death, Retirement, Disability, resignation, or termination with or without Cause, which, for the purpose of the Plan, shall be deemed to be on the later of the following dates: (i) the date that is the last day of any minimum statutory notice period applicable to the Participant pursuant to the minimum requirements of ESL, if and only to the extent required to comply with such minimum requirements; and (ii) the date that is designated in writing by the Company or a Subsidiary, as applicable, as the last day of the Participant’s employment or engagement with the Company or the Subsidiary;

(b) in the event that the Participant’s death occurs prior to the date determined pursuant to (a), the date of the Participant’s death; or

(c) for U.S. Taxpayers, the date on which a Separation from Service occurs;

and for greater certainty, a Participant’s Termination Date shall be determined without regard to any applicable period of reasonable notice, contractual notice, severance, or pay in lieu of notice that follows (or is in respect of a period which follows) the last day that such Participant actually and actively provides services to the Company or a Subsidiary, as applicable, as specified in the written notice of termination provided by such Participant or the Company or the Subsidiary, as the case may be, other than any minimum statutory notice period applicable to such Participant pursuant to the minimum requirements of ESL;

“**TSX**” mean the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**U.S. Taxpayer**” means any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A) or for whom an Award is otherwise subject to taxation under the Code;

“**Withholding Obligations**” has the meaning specified in Section 9.1(7); and

“**VWAP**” means: (i) if the Shares are listed on the TSXV, the definition of “VWAP” provided in Section 1 of Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Finance Manual; or (ii) if the Shares are not listed on the TSXV, the volume weighted average trading price of the Shares on the applicable Stock Exchange calculated by dividing the total value by the total volume of Shares trading during the applicable period.

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 Canadian currency and all section references are to sections of this Plan.

ARTICLE 2
PURPOSE AND ADMINISTRATION

2.1 Purpose

The purpose of this Plan is to advance the interests of the Company by: (a) providing Eligible Persons with additional incentives; (b) encouraging stock ownership by such Eligible Persons; (c) increasing the proprietary interest of Eligible Persons in the success of the Company; (d) promoting growth and profitability of the Company; (e) encouraging Eligible Persons to take into account long- term corporate performance; (f) rewarding Eligible Persons for sustained contributions to the Company and/or significant performance achievements of the Company; and (g) enhancing the Company’s ability to attract, retain and motivate Eligible Persons.

2.2 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. The Board shall, at all times, maintain its ability to amend or rescind the delegation of any of its rights, powers and obligations effected under this Section.

(2) Subject to the terms and conditions set forth in this Plan, 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. In addition, the Board shall have the sole discretion to: (a) designate Participants; (b) determine the type, size, and terms, and conditions (including Performance Criteria) of Awards to be granted; (c) determine the method by which an Award may be canceled, forfeited, or suspended; (d) determine the circumstances under which the delivery of the Cash Equivalent with respect to an Award may be deferred either automatically or at the Participant’s or the Board’s election; (e) 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; (f) 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; (g) 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, subject always to any applicable requirements of ESL or other applicable legislation governing such leave of absence); (h) 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 (i)

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 Company, any Subsidiary, 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 Company as the Board determines.

2.3 Eligible Persons

(1) The persons who shall be eligible to receive Awards shall be the *bona fide* officers, directors, employees or Consultants of or to the Company or its Subsidiaries, providing ongoing services to the Company and/or its Subsidiaries (collectively, "**Eligible Persons**"). For Awards granted to employees and Consultants, the Company and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* employee or Consultant, as the case may be.

(2) 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 Company or a Subsidiary.

(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 Company or a Subsidiary.

2.4 Shares Reserved

(1) Subject to Section 2.4(10), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.

(2) The Company 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 2.4(7) the aggregate number of Shares issuable under this Plan and under all other Share Compensation Arrangements (the "**Maximum Issuable**") shall not exceed 10% of the total number of Shares issued and outstanding from time to time.

(4) This Plan is considered an "evergreen" plan, since (a) any Shares subject to an Award which has been exercised or settled in the Cash Equivalent by a Participant or for any reason expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse without having been exercised or settled in Shares will again be available for grants under this Plan, and (b) the number of Awards available to grant will increase as the number of issued and outstanding Shares increases from time to time. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. Fractional Shares will not be issued and will be treated as specified in Section 9.1(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 Company in connection therewith, be so issued as fully paid and non-assessable Shares.

(6) For the purposes of Section 2.4(3), in the event that the Company cancels or purchases to cancel any of its issued and outstanding Shares ("**Cancellation**") and as a result of such Cancellation, the Company exceeds the limit set out in Section 2.4(3), no approval of the Shareholders will be required for the issuance of Shares on the exercise or settlement of any Awards which were granted prior to such Cancellation.

(7) If the Shares are not listed on the TSXV, any issuance from treasury by the Company that is or was issued in reliance upon an exemption under applicable Stock Exchange rules applicable to security based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company shall not be included in determining the Maximum Issuable under Section 2.4(3).

(8) The number of Shares that may be (a) issued to Insiders within any one year period, or (b) 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 (unless the Company has obtained the requisite disinterested Shareholder approval as required by the applicable Stock Exchange rules).

(9) For so long as the Shares are listed on the TSXV, the maximum number of Shares that may be issuance to certain Participants is subject to the following limitation:

(a) the maximum aggregate number of Shares that may be made issuable pursuant to all Options granted to all Eligible Charitable Organizations must not exceed 1% of the total issued and outstanding Shares of the Company, calculated as at the date any Award is granted or issued to the Eligible Charitable Organization;

(b) the maximum number of Shares that may be made issuable pursuant to Awards made to any person, including Employees and non-Employee Directors, within any one-year period shall not exceed 5% of the total issued and outstanding Shares of the Company, calculated as at the date any Award is granted or issued to such person (unless the Company has obtained the requisite disinterested Shareholder approval as required by the applicable Stock Exchange rules);

(c) the maximum aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to any one Consultant must not exceed 2% of the total issued and outstanding Shares of the Company, calculated as at the date any Award is granted or is-sued to the Consultant;

(d) the maximum aggregate number of Shares that are issuable pursuant to all Options granted in any 12-month period to all Investor Relations Service Providers in aggregate must not exceed 2% of the total issued and outstanding Shares of the Company, calculated as at the date any Option is granted to any such Investor Relations Service Provider; and

(e) Investor Relations Service Providers may not receive any Awards other than Options. For so long as the Company is listed on the TSXV, the Board will, through the establishment of appropriate procedures as determined by the Board in its discretion from time to time, monitor the trading in the securities of the Company by all Investor

Relations Service Providers. These procedures may include, for example, the establishment of a designated brokerage account through which an Investor Relations Service Provider conducts all trades in the securities of the Company or a requirement that Investor Relations Service Providers file reports of their trades with the Board on a basis that is similar to reports required to be filed by Insiders under National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*.

(10) Despite the foregoing and for greater certainty, if the Shares are listed for trading on the TSX on the date the Awards are granted, and subject to the other limitations on grants set forth in this Plan, the total annual grant to any one non-employee director under all Share Compensation Arrangements shall not exceed an aggregate fair market value of $100,000 in Options and $150,000 in all Awards.

ARTICLE 3
OPTIONS

3.1 Grants of Options

(1) Options will be evidenced by a Stock Option Certificate, which shall be in the 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 2.2(2) and Section 3.3, 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 sole 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 Company.

3.2 Exercise Price

An Option may be exercised at a price established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than: (i) for so long as the Shares are listed on the TSXV, the Discounted Market Price; or (ii) if the Shares are not listed on the TSXV, the Market Price on the grant date of such Option (the "**Exercise Price**"). The Exercise Price is subject to adjustment in accordance with the provisions of Section 8.1 hereof.

3.3 Vesting

(1) 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-five percent (25%) of the total number of Options forming part of any grant to vest on each anniversary date after the date of the grant, commencing on the first anniversary 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.

(2) For so long as Shares are listed for trading on the TSXV:

(a) no Award (other than Options) may vest before the date that is one (1) year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an Eligible Person under the provisions hereof in connection with a Change of Control Event, take-over bid, reverse take-over or other similar transaction; and

(b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Finance Manual and may not be accelerated unless permitted by the applicable Stock Exchange rules.

3.4 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 Company), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period is lifted, terminated or removed (<u>provided</u>, <u>that</u>, for U.S. Taxpayers, such extension does not violate Section 409A).

(3) Subject to Section 9.1(7) and Section 3.5, the Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft, wire transfer 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 9.1(7), upon the exercise of Options pursuant to this Section 3.4, the Company will use commercially reasonable efforts to promptly deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or their 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 Company as required by the Board from time to time.

3.5 Cashless Exercise

A Participant may elect, in their sole discretion, to undertake:

(1) 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

(2) a "net exercise" procedure to surrender Options to the Company in consideration for an amount from the Company equal to the amount by which (i) the aggregate fair market value of the Shares issuable under such Options, exceeds (ii) the aggregate Exercise Price in respect of such Option (the "**In-the-Money Amount**") and, provided that the Participant remits the amount of any Withholding Obligations to the Company in advance, the Company shall deliver the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount. For these purposes, the fair market value of a Share will be determined with reference to the VWAP of a Share.

In all events of cashless or net exercise pursuant to this Section 3.5: (a) the Participant shall comply with Section 9.1(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.

3.6 Amendment

If the Shares are listed on the TSXV, the Company must obtain disinterested Shareholder approval of any decrease in the Exercise Price, or extensions of the Expiry Date of Options granted to individuals that are Insiders at the time of the proposed amendment.

ARTICLE 4
SHARE UNITS

4.1 Nature of Share Units

A Share Unit is an Award of RSUs or PSUs for services rendered entitling the recipient to acquire a Share or a Cash Equivalent, 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.

4.2 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:

(a) designate the Eligible Persons who may receive RSUs and/or PSUs under this Plan;

(b) 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

(c) 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 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 Company.

(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 Company.

(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, as applicable, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (a) to receive one Share issued from treasury or purchased on the secondary market; (b) to receive the Cash Equivalent of one Share; or (c) 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.

(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 within three (3) years following the calendar year in which the Participant provided the services for which a particular Share Unit is remuneration. 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 U.S. Taxpayers, 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.

4.3 Performance Criteria and Performance Period Applicable to PSU Awards

For each grant of PSUs, the Board shall establish: (a) any Performance Criteria and other vesting conditions; and (b) 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 their PSUs settled in accordance with Section 4.2(5) above in exchange for all or a portion of the PSUs held by such Participant.

ARTICLE 5
DEFERRED SHARE UNITS

5.1 Nature of DSUs.

A DSU is a unit granted to directors of the Company 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.

5.2 DSU Awards.

(1) Subject to the Company's director compensation policies, if any, as may be determined by the Board from time to time, prior to each fiscal year, each director may elect to receive all or a portion their annual retainer fee in the form of a grant of DSUs in the fiscal year. The number of DSUs shall be calculated as the amount of the director's annual or quarterly retainer fee elected to be paid by way of DSUs divided by the Market Price. Fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

(2) Each DSU will be evidenced by a 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 employment or 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 Company.

(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: (a) to receive one Share issued from treasury; (b) to receive the Cash Equivalent of one Share; or (c) 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.

5.3 Redemption of DSUs.

(1) A Participant shall be entitled to redeem their DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the date that is not later than the last Business Day of the end of the first calendar year following the year that includes the Termination Date, or such shorter redemption period set out in the relevant DSU

Agreement, and which period, for U.S. Taxpayers, will end not later than December 15th of the calendar year in which the Termination Date occurs (the "**DSU Redemption Deadline**") by providing a written notice of settlement to the Company setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement, if applicable (a "**DSU Redemption Notice**"). In the event of the death of a director, 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 Company on or before the DSU Redemption Deadline, the Participant shall be deemed to have delivered a DSU Redemption Notice on December 15th of the first calendar year following the year that includes the Termination Date, or either (a) in the case of U.S. Participants whose Termination Date occurred prior to December 15th, on December 15th of the calendar year in which the Termination Date occurs or (b) in the case of U.S. Participants whose Termination Date occurred on or after December 15th, on the applicable Termination Date. 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.

ARTICLE 6
CHANGE OF CONTROL

6.1 Change of Control

(1) Despite any other provisions of this Plan, except as set forth in an applicable Award Agreement, and subject to Section 10.7, in the event of a Change of Control Event, all unvested Awards then outstanding will be, as applicable, substituted by or replaced with awards of the surviving Company (or any Affiliate thereof) or the potential successor (or any Affiliate thereto) (the "**continuing entity**") on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards.

(2) Except as otherwise provided in an applicable Award Agreement, if, within 12 months of a Change of Control Event, a Participant's service, engagement, consulting relationship, office or employment with the Company, a Subsidiary or the continuing entity is terminated without Cause, or the Participant resigns from their employment for Good Reason, the vesting of all Awards then held by such Participant (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will be accelerated in full, except that in the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable Performance Criteria up to the Termination Date. Notwithstanding the forgoing, if the Shares are then listed on the TSXV, no acceleration of the vesting provisions of Options granted to Investor Relations Service Providers is permitted without the prior acceptance of the TSXV.

(3) If, upon a Change of Control Event, the continuing entity will not agree to comply with Section 6.1(1) above, the vesting of all then outstanding Awards (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will, at the sole discretion of the Board, be accelerated in full and exercisable immediately prior to the Change of Control Event.

(4) 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.

(5) Despite anything else to the contrary in this Plan, 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, 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 6.1(5) is not completed within the time specified (as the same may be extended), then despite this Section 6.1(5) 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 Awards which vested pursuant to this Section 6.1(5) will be returned by the Participant to the Company and reinstated as authorized but unissued Shares and the original terms applicable to such Awards will be reinstated.

(6) If the Board has, pursuant to the provisions of Section 6.1(5), 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 7
TERMINATION OF SERVICE

7.1 Termination of Service

(1) 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 (i) a Participant ceases to be an Eligible Person as a result of their resignation or Retirement, (ii) other than in connection with a Change of Control Event as described in Section 6.1(2), a Participant ceases to be an Eligible Person as a result of: (A) such Participant's service, engagement, consulting relationship, office or employment with the Company or a Subsidiary having been terminated without Cause; or (B) such Participant's resignation of employment for Good Reason, or (iii) the Participant is no longer serving as a director of the Company,

(i) each unvested Option held by such Participant will automatically terminate and become void on the Termination Date, and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and 90 days from the Termination Date, and afterwards each vested Option held by such Participant will cease to be exercisable;

(ii) the Participant shall be entitled to receive and the Company 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 and PSUs held by the Participant on the Termination Date, and

(iii) each unvested RSU and/or PSU held by the Participant will automatically terminate and become void on the Termination Date, and there shall be no further vesting or grants of any Awards under this Plan after the Termination Date;

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

(i) each unvested Option held by such Participant will automatically terminate and become void on the Termination Date, and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and 12 months from the Termination Date, and afterwards each vested Option held by such Participant will cease to be exercisable;

(ii) the Participant shall be entitled to receive and the Company 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 and PSUs held by the Participant on the Termination Date, and

(iii) a pro rata portion of each unvested RSU and/or PSU held by the Participant, based on the number of complete months of active service or employment of the Participant between the grant date of the RSU or PSU and the Termination Date relative to the number of months in the original vesting period associated with such Award, will immediately vest and the Participant shall be entitled to receive and the Company will issue Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement. In the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable Performance Criteria up to the Termination Date, which shall be determined at the sole discretion of the Board. All remaining unvested RSUs and PSUs granted to such Participant shall automatically terminate and become void on the Termination Date, and there shall be no further vesting or grants of any Awards under this Plan after the Termination Date;

(c) if a Participant ceases to be an Eligible Person as a result of such Participant's service, engagement, consulting relationship, office or employment with the Company or a Subsidiary having been terminated for Cause,

(i) each (A) Option, whether vested or unvested, and (B) unvested RSU and PSU held by the Participant will automatically terminate and become void on the Termination Date, and

(ii) the Participant shall be entitled to receive and the Company 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 or PSUs held by the Participant on the Termination Date;

provided, however, that, in the event that a Participant's conduct or actions giving rise to Cause do not constitute Statutory Cause, such Participant shall only be entitled to such minimum statutory entitlements in respect of each Award (whether vested or unvested) held by the Participant to the end of the statutory notice period as may be required by ESL.

(2) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any Awards which, but for this Plan, would have vested or accrued to the Participant after the Termination Date, including but not limited to damages in lieu of notice of termination at common law. Notwithstanding the foregoing, it is understood and agreed that the Plan and all Award Agreements are subject to all applicable minimum requirements of ESL and it is the intention of the Company or the Subsidiary, as applicable, that employs the Participant to comply with all applicable minimum requirements contained in ESL. Accordingly, the Plan and all Award Agreements shall: (i) not be interpreted as in any way waiving or contracting out of ESL; and (ii) be interpreted to achieve compliance with ESL. In the event that ESL requires the Company or the Subsidiary that employs the Participant, as applicable, to provide the Participant with a superior right or entitlement upon termination of the Participant's employment or otherwise ("**Statutory Entitlements**") than provided for under the Plan or any Award Agreement, then the Company or the Subsidiary, as applicable, shall provide the Participant with the Participant's Statutory Entitlements in substitution for the Participant's rights under the Plan and any Award Agreements. There shall be no presumption of strict interpretation against the Company or any Subsidiary.

ARTICLE 8
ADJUSTMENTS AND AMENDMENTS

8.1 Adjustment.

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 Company'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 sole 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 Company to issue or sell fractional Shares. The existence of any Awards does not affect in any way the right or power of the Company or a Subsidiary 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 Company or such Subsidiary, whether or not any such action would have an adverse effect on the Plan or any Award granted hereunder.

8.2 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 Company 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 Participants in respect of Share Units shall be granted as a bonus for services rendered during the calendar year in which the cash dividend is paid. Dividend Share Units granted to a Participant in accordance with this Section 8.2 shall be settled in Cash Equivalents and 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.

8.3 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 any Stock Exchange or any other regulatory body having authority over the Company, this Plan or 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, the Board may from time to time, in its sole 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 provisions of this Plan and any Award;

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

(c) any amendment which accelerates the date on which any Award may be exercised under this Plan in accordance with Sections 6.1, 7.1 or 8.1;

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

(e) 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;

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

(g) any amendment to qualify Awards for favourable tax treatment.

(4) Shareholder approval (and disinterested Shareholder approval if required by the applicable Stock Exchange rules) is required for the following amendments to this Plan or any Awards:

(a) any amendment to the definition of Eligible Person;

(b) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under this Plan, other than an adjustment pursuant to Section 8.1;

(c) 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), or (iii) amendment providing for the Cancellation and reissue of Awards, other than an adjustment pursuant to Section 8.1;

(d) any extension of the Expiry Date or term of an Award, except in case of an extension due to a Black-Out Period;

(e) any amendment to remove or to exceed the Insider participation limit set out in Section 2.4(8);

(f) any amendment to increase the maximum number of Shares that may be issuable to any one Participant within a one-year period;

(g) if the Shares are listed for trading on the TSX, any amendment to remove or to exceed the non-employee director limits;

(h) any amendment that results in a Cancellation or termination of an Award prior to the expiry of its term for the purposes of reissuing an Award to the same Participant;

(i) any amendment which would permit Awards to be transferable or assignable other than by will or by the laws of succession of the domicile of the deceased Participant; and

(j) any amendment to the amendment provisions of the Plan.

ARTICLE 9
GENERAL CONDITIONS

9.1 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** – Each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No

Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

(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 8.1, 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 Company 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 Company 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 Company 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 Company 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 their exercise or settlement of Awards or other participation in this Plan ("**Withholding Obligations**"). The Company 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 cash amount which would otherwise be delivered, provided or paid to the Participant by the Company, 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 Company in advance; (ii) reimburse the Company 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 Company; and/or

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

(8) **Broker Assisted Exercise -** The sale of Shares by the Company, or by a broker engaged by the Company (the "**Broker**"), under Section 3.5 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 Company an irrevocable power of attorney to effect the sale of such Shares on their behalf and acknowledges and agrees that: (a) 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; (b) in effecting the sale of any such Shares, the Company 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 (c) neither the Company 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 clawback and recapture in accordance with (a) the Company'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.

(10) **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 10
MISCELLANEOUS

10.1 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.

10.2 Right to Issue Other Shares

The Company 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.

10.3 Non-Qualified Stock Options; Exemption from Section 409A

Options granted to U.S. Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as "incentive stock options". Despite any provision of the Plan to the contrary, it is intended that Awards granted under the Plan to U.S. Taxpayers 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. Taxpayer 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.

10.4 Discretionary Nature of Awards

This Plan does not grant any Participant or any employee of the Company or its Subsidiaries the right or obligation to serve or continue to serve as a Consultant, director, officer or employee, as the case may be, of the Company or its Subsidiaries. The awarding of Awards to any Eligible Person is a matter to be determined in the sole 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 Company 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.

10.5 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 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. Neither the Company, 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.

10.6 No Rights to Property or Assets of the Company

Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or any Subsidiary. No assets of the Company or any Subsidiary will be held in any way as collateral security for the fulfillment of the obligations of the Company or any Subsidiary under this Plan. Any and all of the Company's or any Subsidiary's assets are, and remain, the general unpledged, unrestricted assets of the Company or Subsidiary. The Company's or any Subsidiary's obligation under this Plan are merely that of an unfunded and unsecured promise of the Company or such Subsidiary 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.

10.7 Foreign Jurisdictions

Subject to the shareholder approval requirements set out in Section 8.3(4), 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.

10.8 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 Company'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 Company, be required. The Company 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 Company or a Participant of any laws, rules and regulations or any condition of such approvals.

(2) The Participant agrees to fully cooperate with the Company 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 Company with such

laws, rule and requirements, including all tax withholding and remittance obligations and such representations or agreements as the Company or counsel for the Company 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) The Company has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed with any Stock Exchange. Shares issued or sold to Participants pursuant to the exercise or settlement of Awards may be subject to limitations on sale or resale under applicable securities laws. Without limiting the generality of the foregoing, the Board may cause a legend or legends to be put on any such certificates of Shares delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders or other restrictions.

(5) 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 Company to issue such Shares will terminate and any funds paid to the Company in connection with the exercise or settlement of such Award will be returned to the applicable Participant as soon as practicable.

(6) Any Awards issued to a U.S. Taxpayer shall be subject to the special terms and conditions set forth in the Addendum hereto, or as otherwise noted in the Plan or applicable Award Agreement.

10.9 United States Securities Laws Matters

No Awards shall be granted in the United States, and no Shares shall be issued in the United States upon exercise or settlement of or pursuant to any such Award unless such securities are registered under the U.S. Securities Act and any applicable state securities laws or an exemption or exclusion from such registration is available. Any Awards issued or made in the United States, and any Shares issued upon exercise or settlement thereof or pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act), unless registered under the U.S. Securities Act. Any certificate or instrument representing Awards granted or made in the United States or Shares issued upon exercise or settlement of or pursuant to any such Award pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear a legend restricting transfer under applicable United States federal and state securities laws in substantially the following form:

10.10 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 Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

10.11 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 Company, to the office of the Company in Mount Pearl, Newfoundland and Labrador, Attention: Chief Financial Officer; or if to a Participant, to such Participant by electronic mail at their email address, by hand delivery or courier at their address as it appears on the books of the Company 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.

10.12 Successors and Assigns.

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

10.13 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.

10.14 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.

10.15 Governing Law

This Plan is governed by the laws of the province of Ontario and the federal laws of Canada applicable therein.

10.16 Effective Date

This Plan has been effective as of June __, 2026 (the "**Effective Date**").

ADDENDUM FOR U.S. PARTICIPANTS
KRAKEN ROBOTICS INC.
OMNIBUS INCENTIVE PLAN

The provisions of this Addendum apply to Awards held by a U.S. Taxpayer. 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

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

2. Settlement, Payment and Termination of Employment

(a) Notwithstanding anything to the contrary in the Plan and except as otherwise set forth in an Award Agreement or otherwise:

(i) any RSUs or PSUs issued to a U.S. Taxpayer shall be settled within thirty (30) days following the earlier of: (A) the applicable vesting date of the Award which shall be set forth in writing in the applicable Award Agreement; and (B) any deemed vesting date as determined by the Board, in the event of a Change of Control Event, termination of employment or other circumstance; and

(ii) any DSUs issued to a U.S. Taxpayer shall be paid by the last day of the calendar year in which the Termination Date occurs.

(b) Notwithstanding Section 7.1 of the Plan, and unless otherwise set forth in the applicable Award Agreement, if a U.S. Taxpayer ceases to be an Eligible Person by reason of death or Disability, a prorated portion of any RSUs and PSUs then held by such Participant shall immediately become vested as of the U.S. Taxpayer's Separation from Service based on the number of Share Units that were otherwise scheduled to vest during the applicable period, and such vested RSUs and/or PSUs shall be settled within thirty (30) days following such U.S. Taxpayer's Separation from Service.

(c) Subject to Section 9.1(7), in connection with the settlement of any Share Units issued to a U.S. Taxpayer, the Company shall: (i) issue from treasury the number of Shares that is equal to the number of vested Share Units held by the U.S. Taxpayer (rounded down to the nearest whole number), as fully paid and non-assessable Shares; (ii) deliver to the U.S. Taxpayer an amount in cash (net of the applicable tax withholdings) equal to the number of vested Share Units held by the U.S. Taxpayer multiplied by the Market Price as at such date; or (iii) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units shall be cancelled, and the U.S. Taxpayer shall have no further rights, title or interest with respect thereto.

3. Compliance with 409A

Each grant of Share Units to a U.S. Taxpayer is intended to be exempt from or compliant with Section 409A. 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.

If, on the date of the U.S. Participant's Separation from Service, the Company's shares (or shares of any other Company that is required to be aggregated with the Company in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Taxpayer is a Specified Employee, then the benefits payable to the U.S. Participant under the Plan that are payable due to such U.S. Participant's Separation from Service 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.

In the event that the timing of payments in respect of any Award that would otherwise be considered "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 satisfies the definition of a change in the ownership or effective control of a Company, or a change in the ownership of a substantial portion of the assets of a Company pursuant to Section 409A; 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. <u>Miscellaneous</u>

(a) If any provision of the Plan or any Award issued to a U.S. Taxpayer contravenes Section 409A or could cause the U.S. Taxpayer 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: (i) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Taxpayer of the applicable provision without materially increasing the cost to the Company or contravening Section 409A.

(b) 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. Taxpayer.

(c) The Company shall have no obligation to modify the Plan or any Award and does not guarantee that Awards 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 Company 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.

SCHEDULE "C"

NEW BY-LAW NO. 1

BY-LAW NO. 1

a by-law relating generally to the transaction of the business and affairs of

KRAKEN ROBOTICS INC.
(the "**Corporation**")

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation:

(a) "**Act**" means the *Canada Business Corporations Act* or any statute which may be substituted therefor, including the regulations thereunder, as amended from time to time;

(b) "**Applicable Securities Laws**" means the applicable securities legislation of 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;

(c) "**articles**" means the articles of the Corporation, as defined in the Act;

(d) "**board**" means the board of directors of the Corporation;

(e) "**by-laws**" means the by-laws of the Corporation in force as amended or restated from time to time;

(f) "**director**" means a director of the Corporation as defined in the Act;

(g) "**meeting of shareholders**" means an annual meeting of shareholders or a special meeting of shareholders;

(h) "**non-business day**" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada);

(i) "**notice-and-access**" has the meaning ascribed to that term under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

(j) "**officer**" means an officer of the Corporation as defined in the Act;

(k) "**person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative; and

(l) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval + at www.sedarplus.ca.

1.2 Interpretation

In this by-law and all other by-laws of the Corporation:

(a) words importing the singular include the plural and vice-versa, and words importing gender include all genders; and

(b) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

ARTICLE 2
GENERAL BUSINESS

2.1 Registered Office

The registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

2.2 Seal

The Corporation may have a seal which shall be adopted and may be changed by the board.

2.3 Financial Year

Until changed by the board, the financial year of the Corporation shall end on the 31st day of December in each year.

2.4 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any director or officer or as otherwise directed by the board.

2.5 Execution in Counterpart, by Facsimile, and by Electronic Signature

(a) Subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;

(b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document; and

(c) subject to the Act, wherever a notice, document or other information is required under the Act or the by-laws to be created or provided in writing, that requirement may be satisfied by the creation and/or provision of an electronic document.

Notwithstanding the foregoing, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.6 Voting Rights in Other Bodies Corporate

Any officer or director may execute and deliver proxies and take any other steps as in the officer's or director's opinion may be necessary or desirable to permit the exercise on behalf of the Corporation of voting rights attaching to any securities held by the Corporation. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.7 Banking Arrangements

The banking business of the Corporation, or any part or division of the Corporation, shall be transacted with such bank, trust corporation or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided.

ARTICLE 3
BORROWING

3.1 Borrowing

Without limit to the powers of the board as otherwise provided herein or in the Act, the board may from time to time approve or make decisions on the following on behalf of the Corporation:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness of the Corporation, whether secured or unsecured;

(c) to the extent permitted by the Act, give directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

3.2 Delegation

Subject to the Act, the board may from time to time delegate to a director, a committee of directors, an officer or such other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

ARTICLE 4
DIRECTORS

4.1 Duties of Directors

The board shall manage or supervise the management of the business and affairs of the Corporation.

4.2 Term of Office

A director's term of office (subject to the provisions of the articles of the Corporation and to the provisions of the Act) shall be from the date on which he or she is elected or appointed until the annual meeting next following.

4.3 Quorum

At any meeting of the board, a quorum for the transaction of business shall be a majority of the number of directors in office from time to time. Notwithstanding vacancies, a quorum of directors may exercise all of the powers of the board.

4.4 Calling of Meetings

Meetings of the board shall be held from time to time at the registered office of the Corporation or at any other place within or outside Canada, on such day and at such time as the board, the chairperson of the board, the president or any two directors may determine.

4.5 Notice of Meetings

Notice of the time and place of each meeting of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. A notice of meeting need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

(a) submit to the shareholders any question or matter requiring the approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;

(c) issue securities;

(d) issue shares of a series under section 27 of the Act;

(e) declare dividends;

(f) purchase, redeem or otherwise acquire shares issued by the Corporation;

(g) pay a commission referred to in section 41 of the Act;

(h) approve a management proxy circular referred to in Part XIII of the Act;

(i) approve a take-over bid circular or directors' circular referred to in Part XVII of the Act;

(j) approve any financial statements referred to in section 155 of the Act; or

(k) adopt, amend or repeal by-laws.

Notwithstanding the foregoing, where in the reasonable opinion of the chairperson of the board, the Chief Executive Officer or any two directors of the board, there is an urgent matter requiring immediate consideration by the board, notice of the time and place for such meeting shall be given using any reasonable means to each director as soon as practicable in the circumstances but, in any event, not less than 2 hours prior to the time proposed for such urgent meeting and such notice shall be deemed sufficient for the meeting to be duly called.

4.6 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.7 Resolution in Lieu of Meeting

Notwithstanding any of the provisions in this by-law, but subject to the Act, a resolution in writing, signed by all of the directors of the Corporation entitled to vote on that resolution at a meeting of directors is valid as if it had been passed at a meeting of the directors.

4.8 Chairperson and Secretary

The chairperson of the board or, in the chairperson's absence, the chief executive officer or, in the chief executive officer's absence, the directors present shall choose one of their number to be chairperson of the meeting. The secretary of the Corporation shall act as secretary at any meeting of the board and, if the secretary of the Corporation is absent, the chairperson of the meeting shall appoint a person who need not be a director to act as secretary of the meeting.

4.9 Votes to Govern

At all meetings of the board, any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairperson of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.10 Participation by Telephonic, Electronic or other Communication Facility

Subject to the Act, if all of the directors of the Corporation consent, a director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director's consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while the director holds office. A director participating in a meeting by such means shall be deemed to be present at that meeting.

4.11 Electronic Voting

Subject to the Act, a director participating in a meeting by telephonic, electronic or other communication facility in accordance with section 4.10 may vote by means of such facility.

4.12 Conflict of Interest

A director or officer of the Corporation who (i) is a party to a material transaction or material contract, or proposed material transaction or material contract, with the Corporation, (ii) is a director or an officer, or acts in a capacity similar to a director or officer, of a party to a material transaction or material contract, or proposed material transaction or material contract, with the Corporation or (iii) has a material interest in any person who is a party to a material transaction or material contract or proposed material transaction or material contract with the Corporation, shall disclose the nature and extent of his or her interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve any such transaction or contract. If a material transaction or material contract is made between the Corporation and one or more of its directors or officers, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he or she has a material interest, the transaction or contract is neither void nor voidable by reason only of that relationship, or by reason only that a director with an interest in the transaction or contract is present at or is counted to determine the presence of a quorum at a meeting of directors or committee of directors that authorized the transaction or contract, if the director or officer disclosed his or her interest in accordance with the provisions of the Act and the transaction or contract was approved by the directors or the shareholders and it was reasonable and fair to the Corporation at the time it was approved.

4.13 Advance Notice

(a) *Nomination Procedures*

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:

(i) by or at the direction of the board, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "**Nominating Shareholder**"):

who, at the close of business on the date of the giving of the notice provided for below in this by-law and on the record date for notice of such meeting of shareholders, is entered in the securities register 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 who complies with the notice procedures set forth below in this by-law.

(b) *Timely Notice*

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with section 4.13(d) below.

(c) *Manner of Timely Notice*

To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 days prior to nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first Public Announcement (the "**Notice Date**") of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made,

provided that, in either instance, if the Corporation uses notice-and-access to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in section 4.13(c)(i) or 4.13(c)(ii) above, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

Unless otherwise directed by the board, any adjournment, rescheduling or postponement of a meeting of shareholders or the announcement thereof will not result in the commencement of a new time period for the giving of a Nominating Shareholder's notice as described above.

(d) *Proper Form of Timely Notice*

To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"): (A) their name, age, business address and residential address; (B) their principal occupation or employment for the last five years; (C) their citizenship; (D) the number of securities of each class of voting securities of the

Corporation 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; and (E) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's information circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws regardless of whether the Proposed Nominee or Nominating Shareholder is required to prepare or file an information circular; and

(ii) as to the Nominating Shareholder giving the notice, any information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's information circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require the Nominating Shareholder or any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation, that would reasonably be expected to be material to the independence or qualifications of such Proposed Nominee or that may otherwise be necessary in order for shareholders to be able to form a reasoned judgment on whether to vote for, or withhold their vote with respect of such Proposed Nominee.

(e) *Notice to be Updated*

All information to be provided in a Nominating Shareholder's notice pursuant to section 4.13(d) shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct as of the date that is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.

(f) *Eligibility for Nomination as a Director*

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this by-law; provided, however, that nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded and not submitted to a vote at such meeting.

(g) *Delivery of Notice*

Notwithstanding any other provision of this section 4.13, notice given to the Corporation pursuant to provisions of this section 4.13 may only be given by:

(i) personal delivery to the secretary of the Corporation at the address of the head office of the Corporation, or

(ii) sending to the secretary of the Corporation at the recorded address of the secretary by any means of transmitted or recorded communication, including email or facsimile transmission, and will be deemed to have been given:

(a) if by personal delivery, at the time it is served, or

(b) if sent by transmitted or recorded communication, including email or facsimile transmission, at the time that confirmation of that transmission has been received;

and if notice is given in the required manner on a non-business day or on a business day later than 4:00 p.m. (Toronto time), it will be deemed to have been given on the next day that is a business day.

(h) *Board Discretion*

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this by-law.

ARTICLE 5
COMMITTEES

5.1 Audit Committee

The directors shall appoint from among their number an audit committee whose composition and function will conform with applicable law. The audit committee shall have the functions provided in the Act.

5.2 Other Committees

The board may designate and appoint additional committees of directors and, subject to the limitation prescribed by the Act, may delegate to such committees any of the powers of the board.

5.3 Procedure

Subject to the Act and unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure.

ARTICLE 6
OFFICERS

6.1 Appointment of Officers

The board may from time to time designate the offices of the Corporation, appoint persons to such offices, specify their duties and, subject to any limitations prescribed in the Act, may delegate to them powers to manage the business and affairs of the Corporation.

6.2 Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him or her from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board at any time, with or without cause.

6.3 Powers and Duties

All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board.

6.4 Duties may be delegated

In case of the absence or inability to act of any officer of the Corporation, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

ARTICLE 7
PROTECTION OF DIRECTORS AND OFFICERS

7.1 Limitation of Liability

No director or officer shall be liable for:

(a) the acts, receipts, neglects or defaults of any other director, officer, employee or agent of the Corporation or any other person;

(b) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by, for, or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be loaned out or invested;

(c) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation, including any person, firm or corporation with whom any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited;

(d) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation; or

(e) any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director's or officer's respective office or in relation thereto,

unless the same shall happen by or through the director's or officer's failure to exercise the powers and to discharge the duties of the director's or officer's office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or relieve such director or officer from liability for a breach of the Act.

7.2 Indemnity of Directors and Officers

(a) The Corporation shall indemnify each director or officer of the Corporation, each former director or officer of the Corporation or each other individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(b) The Corporation may not indemnify an individual under paragraph (a) unless the individual:

(i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

(c) The Corporation shall advance moneys to such individual for the costs, charges and expenses of a proceeding referred to in paragraph (a) provided such individual agrees in advance, in writing, to repay the moneys if the individual does not fulfill the condition of paragraph (b).

(d) If requested by an individual referred to in paragraph (a), the Corporation shall seek the approval of a court to indemnify such individual or advance moneys under paragraph (c) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions set out in paragraph (b).

(e) Notwithstanding paragraph (a), an individual referred to in paragraph (a) is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in paragraph (a), if the individual seeking indemnity:

(i) was not adjudged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and

(ii) fulfills the conditions set out in paragraph (b).

7.3 Indemnification of Others

Subject to the Act, the Corporation may indemnify its employees, agents and such other persons, other than those referred to in section 7.2, as the directors may determine.

7.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.1 against any liability incurred by such individual:

(a) in the individual's capacity as a director or officer of the Corporation; or

(b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

7.5 Indemnities Not Exclusive

Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled.

ARTICLE 8
MEETINGS OF SHAREHOLDERS

8.1 Annual and Special Meetings

Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board, or the chairperson of the board, or the chief executive officer in the absence of the chairperson of the board, may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting. The directors of the Corporation may call a special meeting of the shareholders at any time.

8.2 Place of Meetings

Subject to the Act, meetings of shareholders shall be held at such place within Canada as the directors shall determine or at such place outside Canada as may be specified in the articles or agreed to by all of the shareholders entitled to vote at the meeting.

8.3 Notice of Meetings

Subject to the Act, notice of the time and place of each meeting of shareholders shall be sent not less than 21 days nor more than 60 days before the meeting to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation.

8.4 Participation in Meeting by Electronic Means

Subject to the Act and the approval of the board, any person entitled to attend a meeting of shareholders may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means shall be deemed to be present at the meeting.

8.5 Electronic Meetings

Subject to the Act, if the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

8.6 Chairperson and Secretary

The chairperson of the board or, in the chairperson's absence, the chief executive officer or, in the chief executive officer's absence, the chief financial officer or any vice-president shall be chairperson of any meeting of shareholders. If none of these officers are present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairperson from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation is absent, the chairperson of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by resolution or by the chairperson with the consent of the meeting.

8.7 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those persons entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

8.8 Quorum

A quorum of shareholders is present at a meeting of shareholders, if the holders of 5% of the shares entitled to vote at the meeting are present in person or represented by proxy, provided that a quorum shall not be less than two persons. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

8.9 Shareholder Representatives

A body corporate or association which is a shareholder of the Corporation may be represented at a meeting of shareholders by any individual authorized by a resolution of its directors or governing body and such individual may exercise on behalf of the body corporate or association which such individual represents all the powers it could exercise if it were an individual shareholder.

8.10 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

8.11 Voting

Any question at a meeting of shareholders shall be decided by a show of hands unless a ballot is required or demanded. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a ballot is so required or demanded, a declaration by the chairperson of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution.

8.12 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairperson may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairperson shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which each person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon that question.

8.13 Electronic Voting

(a) Notwithstanding section 8.11, any person participating in a meeting of shareholders by telephonic, electronic, or other communication facility in accordance with section 8.4 and entitled to vote at the meeting may vote by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

(b) Any vote referred to in section 8.11 or 8.12 may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility, provided, in each case, that the facility:

(i) enables the votes to be gathered in a manner that permits their subsequent verification; and

(ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

8.14 Casting Vote

In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairperson of the meeting shall not be entitled to a second or casting vote.

8.15 Adjournment

The chairperson of any meeting may, with the consent of the meeting, adjourn the same from time to time to a fixed time and place and no notice of such adjournment need to be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required, which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

ARTICLE 9
SHARES/SECURITIES

9.1 Allotment and Issuance

Subject to the provisions of section 25 of the Act, shares in the capital of the Corporation may be allotted and issued by resolution of the board at such times and on such terms and conditions and to such persons or class of persons as the board determines.

The board may also from time to time issue or grant options to purchase, or authorize the issue or grant of options to purchase, any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine or authorize, provided that no share shall be issued until it is fully paid.

9.2 Transfer Agents and Registrars

The directors may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers. One person may be appointed both registrar and transfer agent and the board may at any time terminate any such appointment.

9.3 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.4 Security Certificates

Security certificates shall be signed by at least one of the following persons:

(a) any director or officer of the Corporation;

(b) a registrar, transfer agent or branch transfer agent of the Corporation or an individual on their behalf; or

(c) a trustee who certifies it in accordance with a trust indenture.

Signatures may be printed or otherwise mechanically reproduced on the security certificates and every such signature shall for all purposes be deemed to be the signature of the person whose signature it reproduces and shall be binding upon the Corporation. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if the person were a director or an officer at the date of its issue.

9.5 Shareholder Entitled to Certificate or Acknowledgment

Each registered shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Corporation is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

9.6 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Corporation nor any director, officer or agent of the Corporation is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

ARTICLE 10
DIVIDENDS AND RIGHTS

10.1 Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

10.2 Dividend Cheques

Any dividend or other distribution payable in cash to shareholders will be paid by cheque or electronic means as the directors may determine. The payment will be made to or to the order of each registered holder of shares of the class or series in respect of which it has been declared or made. If paid by cheque, cheques will be mailed by prepaid ordinary mail to such registered holder at such holder's address recorded in the Corporation's securities register, unless in each case such holder otherwise directs. In the case of joint holders, the payment shall, unless such joint holders otherwise direct, be made payable to all of such joint holders and, if applicable, mailed to them at their address recorded in the securities register of the Corporation. The sending of the cheque or the making of the payment by electronic means as determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Corporation is required by law to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation of the cheque, if applicable.

10.3 Non-receipt of Cheques

In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.4 Unclaimed Dividends

Any dividend unclaimed after a period of two years from the date on which the dividend has been declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE 11
NOTICES

11.1 Method of Giving Notice

Unless the Act or this by-law provide otherwise, a notice, statement, report or other record required or permitted by the Act or this by-law to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

  (a) for a record mailed to a shareholder, the shareholder's registered address;

  (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Corporation or the mailing address provided by the recipient for the sending of that record or records of that class;

  (c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

  (a) for a record delivered to a shareholder, the shareholder's registered address;

  (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Corporation or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) unless the intended recipient is the auditor of the Corporation, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) unless the intended recipient is the auditor of the Corporation, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient;

(6) as otherwise permitted by any securities legislation (together with all regulations and rules made and promulgated thereunder and all administrative policy statements, blanket orders, and rulings, notices, and other administrative directions issued by securities commissions or similar authorities appointed thereunder) in any province or territory of Canada or in the federal jurisdiction of the United States or in any state of the United States that is applicable to the Corporation.

11.2 Deemed Receipt

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in section 11.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in section 11.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in section 11.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

11.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Corporation or of any other corporation acting in that capacity on behalf of the Corporation stating that a notice, statement, report or other record was sent in accordance with section 11.1 is conclusive evidence of that fact.

11.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Corporation to the joint shareholders of a share by providing such record to the joint shareholder first named in the securities register in respect of the share.

11.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Corporation to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Corporation for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Corporation, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

11.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to section 11.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Corporation shall not be required to send any further records to the shareholder until the shareholder informs the Corporation in writing of his or her new address.

11.7 Waiver of Notice

Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the provision of any notice or document, or waive or abridge the time for any notice or document, required to be provided to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the provision or in the timing of such notice or document, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board, which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

ARTICLE 12
MISCELLANEOUS

12.1 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

12.2 Invalidity

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

12.3 Repeal

All other by-laws of the Corporation shall be repealed upon the coming into effect of this by-law. However, such repeal shall not affect the previous operation of such by-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to such by-law prior to its repeal. All officers and persons acting under such repealed by-law shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or board with continuing effect passed under such by-law shall continue in force until amended or repealed, except to the extent inconsistent with this by-law.

ARTICLE 13
EFFECTIVE DATE

13.1 Effective Date

This by-law shall come into force when made by the directors in accordance with the Act.

MADE by the board of directors of Kraken Robotics Inc. on May 10, 2026.

Chief Executive Officer	Chief Financial Officer

CONFIRMED by the shareholders of Kraken Robotics Inc. June ___, 2026.

Chief Executive Officer	Chief Financial Officer