



## **Fobi AI Inc.**

Unit 200 - 560 Beatty Street  
Vancouver, British Columbia  
V6B 2L3

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON  
June 6, 2024**

**AND**

**INFORMATION CIRCULAR**

*May 7, 2024*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**Fobi AI Inc.**  
Unit 200 - 560 Beatty Street, Vancouver, British Columbia V6B 2L3  
Telephone: 1 (877) 754-5336

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**TO THE SHAREHOLDERS:**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (“**Meeting**”) of shareholders (“**Shareholders**”) of Fobi AI Inc. (“**Fobi**” or the “**Company**”) will be held virtually by zoom meeting (link below) on Thursday, June 6, 2024 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended June 30, 2023 and the accompanying report of the auditors thereon;
2. to fix the number of directors of the Company at three (3);
3. to elect Robert Anson, Peter Green, and Jeffrey Hyman as directors of the Company;
4. to appoint MNP LLP, as the auditors of the Company for the ensuing year at a remuneration to be fixed by the board of directors of the Company (the “**Board**”);
5. to consider and, if thought fitting, to approve an ordinary resolution to re-approve the adoption of the Company’s 20% fixed Stock Option Plan, as further described in the accompanying Information Circular dated May 7, 2024;
6. to consider and, if thought fitting, to ratify, confirm and re-approve the adoption of the Company’s Long-Term Incentive Plan, as further described in the accompanying Information Circular dated May 7, 2024; and
7. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

Zoom Meeting Link:

<https://us06web.zoom.us/j/89186959856?pwd=rmQ1NsPEnn96JmbMM7cGbaPO99T122.1>

Meeting ID: 891 8695 9856; Passcode: 368090

The Information Circular dated May 7, 2024 (“**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s Board has fixed May 2, 2024 as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

If you are a registered Shareholder of the Company, please vote by proxy by completing the instructions provided in the enclosed form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered Shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (in any case, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The Company is using the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators’ *National Instrument 54-101* for the delivery of its Information Circular to its shareholders for the Meeting. Under Notice and Access, instead of receiving paper copies of the Information Circular, shareholders will be receiving a Notice and Access notification with information on how they may obtain a copy of the Information Circular electronically or request a paper copy. Registered shareholders will still receive a Proxy form enabling them to vote at the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Company’s printing and mailing costs. The Company will arrange to mail paper copies of the Information Circular to those

registered shareholders who have existing instructions on their account to receive paper copies of the Company's Meeting materials.

The Information Circular and other Meeting materials will be available on the Company's website at <https://www.fobi.ai/agm> on or around May 13, 2024 and will remain on the website for one full year thereafter. Meeting materials are also available upon request, without charge, by email at [info@fobi.ai](mailto:info@fobi.ai) or by calling toll free at +1-877-754-5336, or can be accessed online under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), as of May 13, 2024.

DATED at Vancouver, British Columbia, this 7<sup>th</sup> day of May, 2024.

By Order of the Board of Directors of

**Fobi AI Inc.**

*"Rob Anson"*

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Rob Anson

President, CEO, and Director

**Fobi AI Inc.**  
Unit 200 - 560 Beatty Street, Vancouver, British Columbia V6B 2L3  
Telephone: 1 (877) 754-5336

## INFORMATION CIRCULAR

### INTRODUCTION

This management information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting (the “**Notice**”) of Fobi AI Inc. (the “**Company**”) and is furnished to shareholders (“**Shareholders**”) holding common shares (each, a “**Share**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Vancouver time) on Thursday, June 6<sup>th</sup>, 2024 virtually by zoom meeting or at any adjournment or postponement thereof.

Zoom Meeting information:

<https://us06web.zoom.us/j/89186959856?pwd=rmQ1NsPEnn96JmbMM7cGbaPO99T122.1>

Meeting ID: 891 8695 9856; Passcode: 368090

### **Date and Currency**

The date of this Information Circular is May 7, 2024. Unless otherwise stated, all amounts herein are in Canadian dollars.

## PROXIES AND VOTING RIGHTS

### **Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principal's authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Notice and Access Process**

The Company has decided to take advantage of the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators' National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of the Information Circular to its shareholders for the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Company's printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Information Circular, shareholders receive a notice (“**Notice and Access Notification**”) with information on the Meeting date, location and purpose, as well as information on how they may access the Information Circular electronically or request a paper copy. The Company will arrange to mail paper copies of the Information Circular to those registered and beneficial shareholders who have existing instructions on their account to receive paper copies of the Company's proxy-related materials.

In accordance with the requirements of NI 54-101, the Company has elected to send the Notice and Access Notification in connection with the Meeting directly to the NOBOs and indirectly through Intermediaries to the OBOs.

## Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholders is entitled to one vote for each Share that such Shareholders held on the record date of May 2, 2024 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxy holders in the enclosed form of proxy (the “**Designated Persons**”) are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS. TO DO SO, THE SHAREHOLDER MUST STRIKE OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERT THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER MUST NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY, AND PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE MUST BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chair of the Meeting, in his or her sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

## Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to Computershare Trust Company of Canada (the “**Transfer Agent**”) at their offices located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chair of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

A proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

NOBOs who wish to revoke their voting instructions should contact Computershare at telephone number 1-800-564-6253. OBOs who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instruction.

## Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY**

**CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR OF THE COMPANY FOR THE ENSUING YEAR.**

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

Only registered Shareholders or duly appointed proxy holders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements set out in NI 54-101, the Company has distributed copies of the Notice, this Information Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form ("**VIF**") which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of a one-page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for it to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can

obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

**These Meeting Materials (including Notice and Access Notification) are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about the number of Shares you own have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf. The Company will not pay for the delivery of the Meeting Materials to objecting beneficial owners of Shares. Objecting beneficial owners will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery (including the Notice and Access Notification).**

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Shares without par value. As of the Record Date, determined by the Company's board of directors (the "**Board**") to be the close of business on May 2, 2024, a total of 221,125,423 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting. Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company, other than as set forth below:

<b>Name of Shareholder</b>	<b>Number of Shares Beneficially Owned<sup>(1)</sup></b>	<b>Percentage of Outstanding Shares</b>
Rob Anson	34,186,021 <sup>(2)</sup>	15.46%

Notes:

(1) On an undiluted basis, as of May 2, 2024.

(2) Includes: (i) 7,614,521 Shares held directly by Mr. Anson; and (ii) 26,571,500 Shares held indirectly through Mr. Anson through Fobisuite Technologies Inc., a company controlled by Mr. Anson.

## **VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING**

Under the Company's Articles, the quorum for the transaction of business at the Meeting consists of two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the Shares entitled to be voted at the Meeting. Under the *Business Corporations Act* (British Columbia) and the Company's Articles, a simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

The following sections provide information on the matters to be acted upon at the Meeting.

### **NUMBER OF DIRECTORS**

The Articles of the Company provide for the Board to be comprised of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to fix the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends the approval of fixing the number of directors of the Company at three (3).**

### **ELECTION OF DIRECTORS**

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years	Periods which Nominee has Served as a Director	Number of Shares Owned <sup>(1)</sup>
Rob Anson <sup>(2)</sup> British Columbia, Canada <i>CEO, President and Director</i>	Mr. Anson has been the President and CEO of the Company since January 2018.	January 2, 2018 to Present	34,186,021 Shares <sup>(3)</sup> (15.46%)
Peter Green <sup>(2)</sup> British Columbia, Canada <i>Director</i>	Mr. Green has been an independent business consultant since 2017 have previously served as Senior Vice President and President of TELUS Business Solutions from 2013 to 2017.	June 12, 2019 to Present	884,642 Shares <sup>(4)</sup> (0.40%)
Jeffrey Hyman <sup>(2)</sup> New York, USA <i>Director</i>	Mr. Hyman consults as independent capital markets advisor, is a principal in an equipment rental company and serves as a Managing Director at Capital Security Advisors, a real estate private equity platform headquartered in New York, NY.	July 29, 2020 to Present	357,142 Shares <sup>(5)</sup> (0.16%)

**Notes:**

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, based on 221,125,423 Shares issued and outstanding, on an undiluted basis, as of May 2, 2024 and information available to the Company provided by each director.
- (2) Member of the Company's audit committee, which is chaired by Mr. Jeffrey Hyman.
- (3) Includes: (i) 7,614,521 Shares held directly by Mr. Anson; and (ii) 26,571,500 Shares held indirectly through Mr. Anson through Fobisuite Technologies Inc., a company controlled by Mr. Anson. The total does not include 1,388,008 stock options to purchase an equivalent number of Shares, or 147,727 warrants to purchase an equivalent number of Shares at an exercise price of \$0.30 until August 31, 2026.
- (4) These Shares are held directly by Mr. Green. The total does not include 1,450,000 stock options to purchase an equivalent number of Shares held by Mr. Green, the 250,000 options to purchase an equivalent number of Shares held by PSG Associates Holdings (a company Mr. Green controls), or 45,000 warrants to purchase an equivalent number of Shares.
- (5) These Shares are held directly by Mr. Hyman. The total does not include a total of 850,000 stock options to purchase an equivalent number of Shares.

## Biographies of Proposed Directors

### *Rob Anson*

Rob Anson has served as the Chief Executive Officer and a member of the board of directors of the Company since January 2018. Mr. Anson has also served as President and a member of the board of directors of Fobisuite Technologies Inc., a private British Columbia technology company, since October 2017, and a member of the board of directors of Fobi Pay Technologies Inc., a private British Columbia technology company, since January 2018.

Mr. Anson has also previously served as the Chief Executive Officer of One Team Media Inc., a private British Columbia entertainment company, between January 2016 and December 2018, as Chief Operating Officer of Parker Neely Enterprises LLC, a private company operating under the laws of the state of Georgia, United States, between December 2011 and January 2016, and as the Manager of Human Resources for Air Canada (TSX: AC) between March 1996 and December 2011.

### *Peter Green*

Peter Green is a former senior executive with Telus Corporation with more than 25 years of experience in the technology and retail industries. Mr. Green previously served as SVP and President of TELUS Business Solutions from 2013 to 2017, as President of TELUS National Small and Medium Business Customer Solutions from 2010 to 2013, and as Managing Director of TELUS Business Solutions from 2007 to 2010. Prior to that, Mr. Green served as the Managing Director of Business Solutions at Carphone Warehouse in London, England from 2005 to 2007. Mr. Green has also held a variety of senior roles with the Caudwell Group, a market leader in the mobile phone retail industry, in Stoke-on-Trent, England from 2002 to 2004, and with Cable & Wireless, an international technology solutions company, in London, England from 1989 to 2002. Mr. Green holds a business studies degree from Nelson and Colne College in Nelson, England and has successfully completed numerous development programs including the INSEAD Leadership Development Programme, the Racial Management Development Programme and the Mercury Change Management Programme.



### *Jeffrey Hyman*

Jeffrey brings a high level of capital markets knowledge, with over 20 years of experience in Wall Street investment banking and financial advisory. As a Managing Director, he ran practice groups at bulge bracket firms, and also served on the Technology Committee at J.P. Morgan Chase's Investment Bank. At Guggenheim Partners, Jeffrey was Global Co-Head of Municipal, Project and Infrastructure Finance. He also brings experience leading large-scale development and redevelopment projects in the US. With previous projects in industries such as hospitality and entertainment, casino and gaming, destination and resort, and public infrastructure projects—Jeffrey's portfolio aligns well with Fobi's target clients and industries.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

### *Cease Trade Orders*

Other than as outlined below, no proposed director of the Company, is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On October 26, 2023, the Company announced that it has proactively applied for a voluntary management cease trade order (the "**MCTO**") with the British Columbia Securities Commission, as a result of certain factors beyond the Company's control, which were expected to cause delays to the filing of the Company's annual financial statements and accompanying management's discussion and analysis for the fiscal year ended June 30, 2023 (the "**Required Filings**"). The MCTO restricted the Chief Executive Officer and Chief Financial Officer of the Company from all trading in securities of the Company until such time as the Required Filings had been filed by the Company and the MCTO was lifted. The MCTO did not affect the ability of other shareholders of the Company to trade in securities of the Company.

The delay in the Required Filings was a result of an ongoing remediation process by the Company's prior auditors relating to the audit of the Company for the financial year ended June 30, 2022, which they previously completed, as well as the fiscal year 2023 audit.

On October 31, 2023, the Company was granted the MCTO under National Policy 12-203 – *Management Cease Trade Orders* ("**NP 12-203**") further to the Company's application for the voluntary MCTO, which was made in order to secure additional time for the Company to file the Required Filings, which were due on October 30, 2023. On January 16, 2024, the Company announced the revocation of the MCTO following the filing of the Required Filings, as well as the interim financial statements for the three months ended September 30, 2023, related management's discussion and analysis and other related filings on January 15, 2024. Mr. Anson was the CEO and Director of the Company, and Mr. Green and Mr. Hyman were directors of the Company, during the MCTO and are nominated for continued directorship at the Meeting.

### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or an executive officer of any 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.

To the best of management's knowledge, no proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a

receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **General**

For the purpose of this Information Circular:

**"Compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

**"CEO"** of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

**"CFO"** of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

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

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

As at June 30, 2023, the Company had five NEOs, namely Rob Anson, the Company's current CEO, Gavin Lee, the Company's current Chief Operating Officer ("**COO**"), Jason Tong, the Company's CFO<sup>1</sup>, Annie Chan, the Company's former CFO, and Jon Haydock, the Company's Chief Technology Officer ("**CTO**").

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO during the fiscal years ended June 30, 2023 and June 30, 2022 respectively:

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<sup>1</sup> Note that Mr. Tong was replaced as CFO of the Company by Mr. Mark Lotz effective January 1, 2024.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fees, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees <sup>(1)</sup> (\$)	Value of perquisites <sup>(2)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
Rob Anson CEO, President and Director	2023	250,000	100,000	Nil	Nil	Nil	350,000
	2022	250,000	Nil	Nil	Nil	Nil	250,000
Peter Green Director	2023	50,000	Nil	Nil	Nil	Nil	50,000
	2022	120,000	Nil	Nil	Nil	Nil	120,000
Michael Devine <sup>(3)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jeffrey Hyman Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Gavin Lee COO	2023	195,000	78,000	Nil	Nil	Nil	273,000
	2022	198,600	Nil	Nil	Nil	Nil	198,600
Jason Tong <sup>(4)</sup> Former CFO	2023	18,000	Nil	Nil	Nil	Nil	18,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jon Haydock <sup>(5)</sup> CTO	2023	152,267	Nil	Nil	Nil	Nil	152,267
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Annie Chan <sup>(6)</sup> Former CFO	2023	181,923	15,000	Nil	Nil	Nil	196,923
	2022	50,000	Nil	Nil	Nil	Nil	50,000

**Notes:**

- (1) There is no meeting fee or committee fee for attendance at directors' meetings or serving on committees.
- (2) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (3) Mr. Devine was appointed as a director of the Company effective April 6, 2022. Mr. Devine is not standing for re-election as a director at the Meeting.
- (4) Mr. Tong was appointed as CFO of the Company effective May 25, 2023 and resigned as CFO of the Company on December 28, 2023. Mr. Tong was replaced by Mr. Mark Lotz effective January 1, 2024.
- (5) Mr. Haydock was appointed as CTO of the Company effective September 6, 2022.
- (6) Ms. Chan was appointed as CFO of the Company effective April 1, 2022 and was replaced by Mr. Tong effective May 25, 2023.

## Stock Options and Other Compensation Securities

The only compensation securities issued by the Company up to June 30, 2023 were stock options. The following table sets out information regarding stock options issued by the Company to NEOs and directors during the fiscal years ended June 30, 2023 and June 30, 2022:

Compensation Securities								Total amount of compensation securities held as at June 30, 2023
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(8)</sup>	Closing price of security or underlying security on date of grant (\$) <sup>(8)</sup>	Closing price of security or underlying security at year end (\$)	Expiry date	
Rob Anson CEO, President and Director	Options	500,000 <sup>(3)</sup>	2021-12-06	\$1.15	\$1.15	\$0.26	2026-12-06	2,290,608 options
		250,000 <sup>(2)</sup>	2022-09-29	\$0.43	\$0.48	\$0.26	2027-09-29	
		200,000 <sup>(3)</sup>	2022-10-13	\$0.475	\$0.485	\$0.26	2027-10-13	

Compensation Securities								Total amount of compensation securities held as at June 30, 2023
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(8)</sup>	Closing price of security or underlying security on date of grant (\$) <sup>(8)</sup>	Closing price of security or underlying security at year end (\$)	Expiry date	
		1,597,108 <sup>(3)</sup> 850,000 <sup>(3)</sup>	2023-01-30 2023-03-16	\$0.325 \$0.39	\$0.37 \$0.405	\$0.26 \$0.26	2028-01-30 2028-03-16	
Peter Green Director	Options	350,000 <sup>(4)</sup> 250,000 <sup>(3)</sup> 250,000 <sup>(2)</sup> 200,000 <sup>(3)</sup>	2021-12-06 2022-05-12 2022-09-29 2023-03-16	\$1.15 \$0.75 \$0.43 \$0.39	\$1.15 \$0.51 <sup>(7)</sup> \$0.48 \$0.405	\$0.26 \$0.26 \$0.26 \$0.26	2026-12-06 2024-06-19 2027-09-29 2028-03-16	1,700,000 options <sup>(7)</sup>
Michael Devine Director	Options	62,500 <sup>(6)</sup> 100,000 <sup>(3)</sup> 250,000 <sup>(2)</sup>	2022-04-06 2022-06-06 2022-09-29	\$0.84 \$0.37 \$0.43	\$0.81 \$0.415 \$0.48	\$0.26 \$0.26 \$0.26	2027-04-06 2027-06-06 2027-09-29	412,500 options
Jeffrey Hyman Director	Options	350,000 <sup>(3)</sup> 250,000 <sup>(2)</sup>	2021-12-06 2022-09-29	\$1.15 \$0.43	\$1.15 \$0.48	\$0.26 \$0.26	2026-12-06 2027-09-29	850,000 options
Gavin Lee COO	Options	500,000 <sup>(3)</sup> 1,135,385 <sup>(3)</sup> 300,000 <sup>(3)</sup>	2021-12-06 2023-01-30 2023-03-16	\$1.15 \$0.325 \$0.39	\$1.15 \$0.37 \$0.405	\$0.26 \$0.26 \$0.26	2026-12-06 2028-01-30 2028-03-16	2,235,385 options
Jon Haydock CTO	Options	250,000 <sup>(5)</sup> 126,154 <sup>(3)</sup>	2022-10-13 2023-01-30	\$0.475 \$0.325	\$0.485 \$0.37	\$0.26 \$0.26	2027-10-13 2028-01-30	376,154 options
Annie Chan Former CFO	Options	500,000 <sup>(5)</sup> 126,154 <sup>(3)</sup>	2022-04-06 2023-01-30	\$0.84 \$0.325	\$0.81 \$0.37	\$0.26 \$0.26	2027-04-06 2028-01-30	376,154 options

**Notes:**

- (1) The numbers indicated represent the number of options and the same number of Shares underlying the related options. There were 19,055,393 options outstanding under the Plan at June 30, 2023. There were 166,367,901 Shares issued and outstanding at June 30, 2023 and 147,820,054 Shares issued and outstanding at June 30, 2022. Aggregate options granted to each optionee in each of the years ended June 30, 2023 and June 30, 2022 represent less than 1% of the Company's issued and outstanding Shares at each respective year end.
- (2) These options vested 50% on the date of grant and 25% quarterly thereafter.
- (3) This grant vested immediately.
- (4) These options vested 50% immediately and 25% every 3 months.
- (5) These options vest 25% every 6 months.
- (6) These options vest 100% 3 months after issuance.
- (7) These options were issued to PSG Associates Holdings Inc, a company owned and controlled by Mr. Green.
- (8) Unless otherwise noted, Options were priced using the closing price of the Shares on the TSXV the date prior to issuance.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year. There are no restrictions or conditions for converting, exercising or exchanging the compensation securities disclosed in the above table.

Exercise of Compensation Securities by Directors and NEOs in fiscal year ended June 30, 2023							
Name and Position	Type of Compensation Security	Number of underlying securities Exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Rob Anson CEO, President and Director	Options	281,600	\$0.25	2022-12-13	\$0.235	(\$0.015)	(\$4,224)
	Options	900,000	\$0.25	2023-01-06	\$0.275	\$0.025	\$22,500
	Options	385,000	\$0.39	2023-03-27	\$0.485	\$0.095	\$36,575
	Options	449,000	\$0.39	2023-04-24	\$0.385	(\$0.005)	(\$2,245)
	Options	200,000	\$0.325	2023-05-31	\$0.36	\$0.035	\$7,000
	Options	335,000	\$0.325	2023-06-26	\$0.265	(\$0.06)	(\$20,100)

## Stock Option Plans and Other Incentive Plans

### 20% Fixed Stock Option Plan

The Company's has a stock option plan (the "**Option Plan**"), which was first approved by the Board on October 19, 2021 and by Shareholders on December 17, 2021. The Option Plan is a "fixed" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan, including the Long-Term Incentive Plan, or agreement of the Company, shall not exceed twenty percent (20%) of the total number of issued Shares (calculated on a non-diluted basis) at the time the Option Plan is approved by the Shareholders. The last time the Option Plan was approved by Shareholders was on December 17, 2021 and the maximum number of Shares approved for issuance under the Option Plan totaled 28,711,462 Shares<sup>2</sup>. The Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares of the Company. As at the Record Date, there were 22,329,494 options outstanding under the Option Plan.

At the Meeting, the Board is requesting that Shareholders approve an update to Option Plan such that the maximum number of Shares issuable under the Plan be set to 20% of the issued and outstanding Shares as of the Meeting date. *There are no other changes or amendments to the Option Plan proposed at this time.*

A copy of the Option Plan is available for review on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at the office of the Company at Unit 200-560 Beatty Street, Vancouver, BC, V6B 2L3 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters to be Acted Upon – *Re-Approval of Option Plan*"

### Long-Term Incentive Plan

The Board adopted the Company's Long-Term Incentive Plan (the "**LTIP**") on August 24, 2021 and such plan was approved by disinterested Shareholders on December 17, 2021. The LTIP provides for the issuance of "restricted share units", "performance share units" and "deferred share units" (together, the "**Awards**"). There are no Awards outstanding under the LTIP. At the Meeting, Shareholders will be asked to affirm, ratify and approve the LTIP. See "Particulars of Matters to be Acted Upon - *Re-approval of the LTIP*" for a full description of the terms of the LTIP.

The LTIP provides for a fixed number of Shares issuable under the LTIP. The aggregate number of Shares issuable under the LTIP in respect of Awards and under the Option Plan in respect of Options (and together with any other equity-based compensation plans of the Company, of which currently there are none) will not exceed twenty percent (20%) of the total number of issued and outstanding Shares on the date of shareholder approval (or re-approval) of the Option Plan. As noted above, at the Meeting, the Board is requesting that Shareholders approve an update to the fixed number of Shares issuable, in aggregate, under the Option Plan and LTIP, such that the maximum number of Shares issuable under the Option Plan and LTIP will be set to 20% of the issued and outstanding Shares as of the Meeting date. *There are no other changes or amendments to the LTIP proposed at this time.*

A copy of the LTIP is available for review at the office of the Company at Unit 200-560 Beatty Street, Vancouver, BC, V6B 2L3 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters to be Acted Upon - *Re-Approval of the LTIP*".

The LTIP it is not subject to shareholder re-approval absent certain future amendments, including any change to the fixed maximum number of Shares.

## Employment, consulting and management agreements

### External Management Companies

Management of the Company is substantially performed by employees of the Company, except for Catapult Consulting Inc., which provides Mr. Tong's services as CFO to the Company for a monthly fee, plus applicable taxes. Such consulting contract commenced on May 25, 2023 and ended December 28, 2023.

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<sup>2</sup> This figure represents 20% of the issued and outstanding Shares in the Company as approved by Shareholders on December 17, 2021.

### *Material Terms of Agreements*

During the year ended June 30, 2023, there were agreements with the Company and these NEOs and Directors as follows:

#### *Rob Anson - CEO*

Under the terms of the employment agreement dated February 12, 2018 as amended November 1, 2018, between the Company and Rob Anson, Mr. Anson agrees to act as President and CEO in exchange for an annual salary of \$250,000 payable in monthly instalments, as well as a discretionary performance bonus if awarded by the Board. The contract also provides for a car allowance of \$6,000 per year, payable monthly. In the event of a termination of this agreement by the Company without cause, or in the event of a change of control, or in the event of a disability (each as defined in the agreement) which leads to the termination of the agreement, Mr. Anson is owed twelve months of salary, plus the average of the two highest value aggregate annual performance bonuses paid in shares or cash to the employee during the most recent five completed fiscal years. Mr. Anson may terminate the agreement by providing 4 weeks' notice to the Company. The employee will be reimbursed for any unreimbursed expenses, and accrued vacation incurred through to the date of death or termination due to disability or other termination other than for cause.

#### *Gavin Lee - COO*

Under the terms of the employment agreement dated February 1, 2018 as amended November 1, 2018, between the Company and Gavin Lee, Mr. Lee agrees to act as Chief Operating Officer of the Company in exchange for an annual salary of \$195,000 payable in monthly installments, as well as a car allowance of \$6,000 annually, also payable in monthly installments, and is eligible for a discretionary bonus if awarded by the Board. Mr. Lee may terminate the agreement upon four weeks' notice to the Company. In the event of a termination of this agreement by the Company without cause, or in the event of a change of control, or in the event of a disability (each as defined in the agreement) which leads to the termination of the agreement, Mr. Lee is owed twelve months of salary, plus the average of the two highest value aggregate annual performance bonuses paid in shares or cash to the employee during the most recent five completed fiscal years.

#### *Jason Tong – CFO<sup>3</sup>*

Under the terms of the consulting agreement dated May 25, 2023 between Catapult Consulting Inc. ("Catapult") and the Company, Catapult provided the services of a CFO, Jason Tong and accounting services provided by other members of Catapult in exchange for fees of \$18,000 plus applicable taxes per month. Services under the Catapult contract concluded on December 28, 2023.

#### *Jon Haydock – CTO*

Under the terms of the employment agreement dated August 2, 2022 but commencing September 6, 2022, between the Company and Jon Haydock, Mr. Haydock agrees to act as Chief Technology Officer of the Company in exchange for an annual salary of \$185,000 payable in monthly installments. Mr. Haydock may terminate the agreement upon four weeks' notice to the Company.

#### *Annie Chan – Former CFO*

Under the terms of an employment agreement dated March 21, 2022, and that was terminated effective May 25, 2023, between the Company and Annie Chan, Ms. Chan agreed to act as the Company's Chief Financial Officer in exchange for an annual salary of \$200,000, payable in monthly installments, and was eligible for a discretionary bonus if awarded by the Board.

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<sup>3</sup> Mr. Tong held the position of CFO from May 25 - December 28, 2023. Mr. Mark Lotz was appointed to replace Mr. Tong effective January 1, 2024.

*PSG Associates Holdings Inc. (Peter Green) - Director*

Under the terms of a consulting agreement dated November 6, 2020 between the Company and PSG Associates Holdings Inc., a company controlled by Peter Green, a director of the Company, PSG is entitled to a monthly fee of \$10,000 plus applicable taxes in exchange for certain consulting services. The original agreement expired on November 6, 2021, and the Company continues to work with Mr. Green on a month-by-month basis. Either party may terminate the existing relationship with 15 days' written notice to the other party.

Other than as set out above, there are no compensatory plans or arrangements, with respect to any Named Executive Officer, resulting from the resignation, retirement or any other termination of employment of the officer or from a change in control of the Company or a change of any Named Executive Officer's responsibilities following a Change of Control.

The only significant conditions of the various agreements that apply to the receipt of payments or benefits is the enduring confidentiality clause regarding confidential information, and the non-competition clause which extends for twelve months from termination, each as defined in each respective agreement. The provision for breach of the applicable clauses is subject to the laws of British Columbia and the laws of Canada applicable therein. There are no other significant factors.

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

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the Board. The compensation of the NEOs, directors and employees and consultants of the Company is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation and disclose their interest in and abstain from voting on compensation decision relating to them, as applicable, in accordance with applicable corporate legislation.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has a short-term compensation component in place, which includes the accrual and/or payment of salaries and/or management fees to NEOs, and a long-term compensation component in place, which may include the grant of stock options, or other grants under the new long term incentive plan. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the efforts and position of the executive or senior manager. No significant events have affected the compensation of directors or NEOs in the most recently completed financial year, and no compensation policies were amended. No peer group is reviewed when determining executive or director compensation.

The Company relies on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

### **Pension Plan Benefits**

The Company does not have any pension plans that provide for payments or benefits to directors or the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not yet have a deferred compensation arrangement with respect to any NEO or director.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details with respect to the options granted and outstanding under the Plan as at June 30, 2023, being the last day of the Company's most recently completed financial year:

Equity Compensation Plan Information			
Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup> (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup> (c)
Equity compensation plans approved by security holders	19,055,393 stock options	\$0.51	9,656,069
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	19,055,393 stock options	\$0.51	9,656,069

Notes:

- (1) The Company had no options, warrants or other rights outstanding under any equity compensation plans other than the Option Plan as at June 30, 2023.
- (2) Total Shares available for issuance under the Company's Option Plan and LTIP totals 28,711,462 Shares as approved by Shareholders on December 17, 2021. At the Record Date, an aggregate of 22,329,494 are issued and outstanding under the Option Plan and the LTIP.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint MNP LLP, Chartered Professional Accountants, as auditors of the Company, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors. MNP LLP were first appointed as auditor of the Company on May 6, 2024, replacing BDO Canada LLP who were appointed as auditor of the Company on August 21, 2023 and resigned as auditor of the Company effective March 21, 2024. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

BDO Canada LLP has not expressed any modified opinion on the consolidated financial statements of the Company commencing July 1, 2022 and ending on the date of resignation. The Board is of the opinion that there were no "reportable events" as such term is defined in National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102").

Please see the Change of Auditor Reporting Package ("**Reporting Package**") provided in Schedule "D" to this Information Circular, which includes notices from the Company regarding the change of auditor, letters from the Company's former auditor, BDO Canada LLP, and a letter from the Company's successor auditor, MNP LLP. Such Reporting Package is also filed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Management recommends that Shareholders vote FOR the appointment of MNP LLP, as the Company's auditors and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors.**

### AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditor.

#### The Audit Committee Charter

The text of the audit committee charter (the "**Audit Committee Charter**") is attached as Schedule "A" to this Information Circular.

#### Composition of the Audit Committee

The Company's Audit Committee is currently composed of three directors, consisting of Peter Green, Jeffrey Hyman and Rob Anson. Mr. Green and Mr. Hyman are "independent" as defined in NI 52-110. The Company is exempt from the Audit



Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### Relevant Education and Experience

Please see “Biographies of Proposed Directors” above for the biographies and relevant education and experience for the audit committee members.

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

### Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

### External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject 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 the performance of the audit review of the Company’s 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 foregoing categories.

The aggregate fees billed by the Company’s external auditor during the fiscal years ended June 30, 2023 and June 30, 2022 respectively, by category, are as follows:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
June 30, 2023	\$585,653	\$Nil	\$Nil	\$Nil
June 30, 2022	\$250,000	\$Nil	\$Nil	\$Nil

## **Venture Issuers Exemption**

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

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

No current or former director, executive officer, proposed nominee for election to the Board, or associate of any such person is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of a current or former director, executive officer, proposed nominee for election to the Board, or associate of any such person is, or at any time since the beginning of the Company's most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person who beneficially owns, directly or indirectly, Shares, or who exercises control or direction of Shares, or a combination of both, carrying more than 10% of the voting rights attached to the Shares outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders of the Company, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of Shares.

## **MANAGEMENT CONTRACTS**

Except as otherwise described in the Executive Compensation section, there were no management functions of the Company which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

## **CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board currently consists of **four** directors, being Rob Anson, Peter Green, Michael Devine and Jeffrey Hyman. Messrs. Green, Hyman and Devine are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from being securityholders of the Company. Mr. Anson is the CEO and President of the Company; therefore, he is not independent. Mr. Devine is not standing for re-election at the Meeting.

### **Directorships**

In addition to their role with Fobi, no directors hold directorships with other publicly-traded issuers.

### **Orientation and Continuing Education**

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

## **Ethical Business Conduct**

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

## **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

## **Compensation**

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees and consultants is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

## **Other Board Committees**

The Board has no committees other than the Audit Committee.

## **Assessments**

The Board monitors the adequacy of information given to directors, communications between the Board and management, and the strategic direction and processes of the Board and the Audit Committee.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Re-Approval of Option Plan**

Management of the Company believes that incentive stock options serve an important function in furnishing directors, officers, employees and consultants (collectively, the "**Eligible Parties**") of the Company an opportunity to invest in the Company in a simple and effective manner and better aligning the interests of the Eligible Parties with those of the Company and its members through ownership of shares in the Company. Accordingly, at the Meeting the members will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend that the Shareholders re-approve, the Company's Option Plan and the allotment and reservation of sufficient Shares from treasury to provide the Shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Option Plan.

The Option Plan is in the form of a fixed stock option plan reserving for issuance upon the exercise of options granted pursuant to the Option Plan a maximum of 20% of the issued and outstanding Shares of the Company as of the Meeting date, less any Shares required to be reserved with respect to options granted by the Company prior to the re-approval of the Option Plan. The Option Plan is administered by the Board of the Company, or a committee of three directors, if so, appointed by the Board (the "**Committee**"). Subject to the provisions of the Option Plan, the Committee in its sole discretion will determine all options to be granted pursuant to the Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The Committee will comply with all regulatory requirements in granting options and otherwise administering the Option Plan. A summary of some of the provisions of the Option Plan follows:

- (i) the number of securities reserved for issuance under options to acquire the securities granted to eligible persons (as defined in the Option Plan) shall not exceed such number that is 20% of the issued and outstanding Shares of the Company as of the Meeting date;
- (ii) at no time shall the number of options issued to one eligible person (as defined in the Option Plan), exceed 5% of the issued and outstanding Shares of the Company;
- (iii) options granted to any one consultant to the Company as a total in any twelve-month period shall not exceed 2% of the issued and outstanding Shares of the Company;
- (iv) options granted in any twelve-month period to the Company's employees and/or consultants and the associates of such employees and/or consultants who are conducting investor relations activities together with the number of Shares represented by all options granted in that period to such employees and/or consultants and the associates of such employees and/or consultants with respect to all of the Company's other previously established stock option plans or grants shall not exceed 2% of the issued Shares;
- (v) Options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;
- (vi) the exercise price of options granted shall not be less than the minimum exercise price permitted by the TSXV;
- (vii) all options granted shall be confirmed by executed option agreements; and
- (viii) any amendment to reduce the exercise price of options granted to insiders of the Company shall be subject to approval of the disinterested Shareholders of the Company, the majority vote of the members other than the insiders of the Company.

The last time the Option Plan was approved by Shareholders was on December 17, 2021 and the maximum number of Shares approved for issuance under the Plan totaled 28,711,462 Shares<sup>4</sup>. The Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares of the Company. As at the Record Date, there were 22,329,494 options outstanding under the Option Plan.

At the Meeting, the Board is requesting that Shareholders approve an update to Option Plan such that the maximum number of Shares issuable under the Option Plan be set to 20% of the issued and outstanding Shares as of the Meeting date. There are no other changes or amendments to the Option Plan, as previously approved, proposed at this time.

A copy of the Option Plan is available for review on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at the office of the Company at Unit 200 - 560 Beatty Street, Vancouver, British Columbia V6B 2L3 during normal business hours up to and including the date of the Meeting, and is attached as Schedule "B" to this Information Circular.

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution, which must be approved by at least a simple majority of the votes cast by Shareholders represented in person or by proxy at the Meeting:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Fobi AI Inc. (the **"Company"**), with or without amendment, that:

1. the Company's 20% fixed stock option plan (the **"Stock Option Plan"**) as described in the Company's Information Circular dated May 7, 2024 be and is hereby ratified, re-approved and confirmed including the reserving for issuance under the Stock Option Plan of 20% of the issued and outstanding Shares of the Company as of the Meeting date, subject to any amendments that may be required by the TSXV;
2. the Company be authorized to abandon or terminate all or any part of the Stock Option Plan if the board of directors of the Company (the **"Board"**) deems it appropriate and in the best interests of the Company to do so;
3. the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan;

<sup>4</sup> This figure represents 20% of the issued and outstanding Shares in the Company as approved by Shareholders on December 17, 2021.

4. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

**Management recommends that Shareholders vote for the approval of the Option Plan.**

### **Re-Approval of LTIP**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to affirm, ratify and approve the LTIP. The purpose of the LTIP is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the LTIP with those of the Company and its Shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the LTIP is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

The following is a summary of the LTIP and is qualified in its entirety by the full text of the LTIP, a current copy of which is attached as Schedule “C” hereto. The amendment to the LTIP remains subject to the approval of the TSXV, and is subject to any modifications as may be required by the rules and policies thereof. A copy of the LTIP is available for review at the office of the Company at Unit 200 - 560 Beatty Street, Vancouver, British Columbia V6B 2L3 during normal business hours up to and including the date of the Meeting.

#### Description of the LTIP

The LTIP is available to directors, key employees and consultants of the Company, as determined by the Board. The maximum number of Shares available for issuance under the LTIP in respect of awards, together with the number of Shares available for issuance in respect of options under the Option Plan, will be 20% of the issued and outstanding Shares of the Company on the date of approval of shareholders of the Company.

So long as it is required by the rules and policies of the TSXV or such other exchange upon which the Shares may become listed for trading, (i) the total number of Shares issuable to any participant under the LTIP, within any one-year period, together with Shares reserved for issuance to such participant under all of the Company’s other security-based compensation arrangements, shall not exceed 5% of the issued and outstanding Shares, (ii) the total number of Shares issuable to insiders under the LTIP, within any one-year period and at any time, together with Shares reserved for issuance to insiders under all of the Company’s other security-based compensation arrangements, shall not exceed 10% of the issued and outstanding Shares, (iii) the total number of Shares issuable to non-executive directors under the LTIP, together with Shares reserved for issuance to non-executive directors under all of the Company’s other security-based compensation arrangements, shall not exceed 3% of the issued and outstanding Shares, and (iv) the total number of Shares issuable to consultants under the LTIP, at any time, together with Shares reserved for issuance to consultants under all of the Company’s other security-based compensation arrangements, shall not exceed 2% of the issued and outstanding Shares in any twelve month period. The grant value of Shares issued or reserved for issuance pursuant to options under the LTIP, together with any Shares issued or reserved for issuance under all of the Company’s other security-based compensation arrangements, to any one non-executive Director cannot exceed \$100,000 annually. Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

The LTIP provides for the issuance of “restricted share units”, “performance share units” and “deferred share units”.

#### **Restricted Share Units**

The LTIP permits the Board to grant awards of restricted share units (each, an “**RSU**”) to directors, key employees and consultants from time to time, in its sole discretion. Each RSU shall represent one Share on vesting. RSUs shall be subject to such restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e., vesting after a fixed period of time). All RSUs will vest and become payable by the issuance of Shares at the end of the applicable restriction period if all applicable restrictions have lapsed.

Restrictions on any RSUs shall lapse immediately and become fully vested to the participant upon a change of control. Upon the death of a participant, subject to the applicable award agreement, any RSUs that have not vested will be immediately forfeited and cancelled without payment, provided that any RSUs granted to such participant that had vested prior to the participant's death will accrue to the participant's estate in accordance with the LTIP. If a participant's employment is terminated for cause, any RSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, is voluntarily terminated by the participant or termination is due to the participant's retirement or disability, any RSUs granted to the participant will, subject to the applicable award agreement, immediately terminate without payment and be cancelled as of the termination date, provided, however, that any RSUs granted to such participant that had vested prior to the participant's termination without cause, voluntary termination, retirement or disability will accrue to the participant in accordance with the LTIP. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the participant ceasing to be a director will accrue to the participant in accordance with the LTIP. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the termination of the participant's service to the Company will accrue to the participant in accordance with the LTIP.

### Performance Share Units

The LTIP permits the Board to grant awards of performance share units (each, a “**PSU**”) to key employees and consultants from time to time, in its sole discretion. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Share, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based on the participant's individual performance and/or financial performance of the Company and its subsidiaries. Typical performance criteria could include gross revenues, EBITDA, share price performance, the attainment of a specified amount of financing or satisfaction of a participant's key performance indicators. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision.

All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board. PSUs granted to a participant shall become fully vested and payable to such participant within 95 days after the last day of the performance cycle or upon a change of control. Upon the death of a participant, subject to the applicable award agreement, all PSUs granted to the participant which, prior to the participant's death, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. If a participant's employment is terminated for cause, any PSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, by voluntary termination, or if the participant's employment terminates due to retirement or disability, all PSUs granted to the participant which, prior to such termination without cause, voluntary termination, retirement or disability, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all PSUs granted to such participant will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

### Deferred Share Units

The LTIP permits the Board to grant awards of deferred share units (each, a “**DSU**”) to directors in lieu of director fees (but not to key employees or consultants) from time to time, in its sole discretion. Directors become participants effective as of the date each is first appointed or elected as a director and cease to be participants at the time, they cease to be a director for any reason. The number of DSUs to be granted to a participant shall be calculated by dividing the amount

of fees selected by the director by the market price on the grant date. The market price is defined in the LTIP as the five-day weighted average closing price of the Company's Shares on the immediately preceding five trading days prior to the grant date.

Each participant shall be entitled to receive, subsequent to the effective date that the participant ceases to be a director for any reason or any earlier vesting period(s) set forth in the applicable award agreement, either (a) that number of Shares equal to the number of DSUs granted to such participant, or (b) a cash payment in an amount equal to the market price of the DSUs granted to such participant on the trading day following the day that the participant ceases to be a director, net of applicable withholdings, and subject to adjustments if the value of a DSU is determined during applicable black-out periods. Upon the death of a participant, such participant's estate shall be entitled to receive, within 120 days, a cash payment or Shares that would otherwise have been payable upon such participant ceasing to be a director.

The Board is requesting that Shareholders affirm, ratify and approve the LTIP. Accordingly, at the Meeting, Shareholders will be asked to consider, and if thought fit, to approve the following ordinary resolution (the "**LTIP Resolution**"):

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Fobi AI Inc. (the "**Company**"), with or without amendment, that:

1. the Long-Term Performance Incentive Plan (the "**LTIP**"), in the form attached as Schedule "C" to the management information circular of the Company dated as of May 7, 2024, be and is hereby affirmed, ratified and approved, including the maximum number of Shares that may be issued, in aggregate under the Option Plan and LTIP being 20% of the total Shares outstanding on the Meeting date, subject to any amendments that may be required by the TSXV;
2. the board of directors of the Company be authorized on behalf of the Company to make any amendments to the LTIP as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the LTIP; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the LTIP as may be required by regulatory authorities, without further approval of the shareholders of the Company."

**Management recommends that Shareholders vote for the LTIP Resolution.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis (the "**MD&A**"), which will be available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may also contact the Company at its office by mail at Unit 200 - 560 Beatty Street, Vancouver, British Columbia V6B 2L3, to request copies of the Company's financial statements and related MD&A.

#### **OTHER MATTERS**

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

#### **APPROVAL OF THE BOARD OF DIRECTORS**

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

Dated at Vancouver, British Columbia as of May 7, 2024.

**ON BEHALF OF THE BOARD**

**FOBI AI INC.**

*"Rob Anson"*

Rob Anson

Chief Executive Officer and Director



**SCHEDULE “A”**  
**AUDIT COMMITTEE CHARTER**

This charter governs the operations of the Audit Committee (the “Committee”) of Fobi AI Inc. (the “Company”). The purpose, composition, responsibilities, and authority of the Committee are set out in this Charter.

This Charter and the Articles of the Company and such other procedures, not inconsistent therewith, as the Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.

**1. Purpose**

The Committee shall provide assistance to the Board of Directors of the Company (the “Board”) in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the financial reporting process;
- (c) the systems of internal accounting and financial controls;
- (d) financial risk management;
- (e) the performance of the Company’s internal audit function (if applicable) and independent auditors;
- (f) the independent auditors’ qualifications and independence;
- (g) the Company’s compliance with ethics policies and legal and regulatory requirements; and
- (h) the system of cyber security controls.

**2. Composition**

The Committee shall be composed of at least three (3) directors of the Company (the “Members”), the majority of whom is “independent” as defined by applicable Canadian and US laws and regulations as well as the rules of relevant stock exchanges.

All Members shall be “financially literate” as defined in National Instrument 52-110 *Audit Committees* or any successor policy, meaning that the director has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company’s financial statements

At least one member of the Committee shall be a ‘financial expert’ within the meaning of Applicable Laws. The financial expert should have the following competencies:

- An understanding of financial statements and accounting principles used by the Company to prepare its financial statements;
- The ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity comparable to the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and

- An understanding of audit committee functions.

Members shall be appointed by the Board and shall serve until they resign, cease to be a director, or are removed or replaced by the Board.

### 3. Authority

The Committee is authorized to carry out its responsibilities as set out in this Charter, and to make recommendations to the Board arising therefrom.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage, and to set and pay the compensation of, independent accountants, legal counsel and other advisers as it determines necessary to carry out its duties.

The Committee may also communicate directly with the auditors, legal and other advisors, management and employees of the Company to carry out its responsibilities and duties set out in this Charter.

The Company shall pay directly or reimburse the Committee for the expenses incurred by the Committee in carrying out its responsibilities.

### 4. Responsibilities

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with IFRS or generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements if requested by the Company.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour. The following shall be the principal direct responsibilities of the Committee:

- (a) Appointment and termination (subject, if applicable, to shareholder ratification), compensation, and oversight of the work of the independent auditors, including mediation of disagreements between management and the independent auditors regarding financial reporting. The Committee shall arrange for the independent auditors to report directly to the Committee regarding the Q4 audited financial statements.
- (b) Pre-approve all audit and non-audit services provided by the independent auditors and not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- (c) At least annually, obtain and review a report by the independent auditors describing:
  - (i) The Company's internal control procedures, if any.
  - (ii) Any material issues raised by the most recent internal control review of the Company, or by

any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

- (iii) All relationships between the independent auditor and the Company (to assess the auditor's independence).
- (d) Establish clear hiring policies for employees, partners, former employees and former partners of the current and former independent auditors of the Company that meet the requirements of applicable securities laws and stock exchange rules.
- (e) Discuss with the auditors the overall scope and plans for audits of the Company's financial statements, including the adequacy of staffing and compensation. Ensure there is rotation of the audit partner having primary responsibility for the independent audit of the Company at such intervals as may be required by law.
- (f) Discuss with management and the external auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs, if any.
- (g) Periodically meet separately with management and the auditors to discuss issues and concerns warranting Committee attention. The Committee shall provide sufficient opportunity for the independent auditors to meet privately with the members of the Committee, which shall at minimum include an *in camera* meeting prior to or during the Q4 audited financial statements meeting. The Committee shall review with the auditor any audit problems or difficulties and management's response.

The processes set forth represent a guide only, and the Committee may supplement them as appropriate.

## 5. Chair Responsibilities

The Chair of the Committee shall provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter:

- (a) Convene and preside over Committee meetings and ensure they are conducted in an efficient, effective and focused manner that promotes meaningful discussion;
- (b) Assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- (c) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition and management of meetings;
- (d) Ensure that the Committee has sufficient time and information to make informed decisions; and
- (e) Provide leadership to the Committee and management with respect to matters covered by this mandate.

The Committee shall designate one of its Members as chair of the Committee (the "Chair").

The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

## 6. Specifically Delegated Duties

For purposes of this Charter, specific accounting, financial and treasury related duties delegated to the Committee by the Company's Board of Directors include:

### *Accounting and Financial*

- (a) Receive regular reports from the independent auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.
- (b) Where applicable, review management's assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditor's report on management's assertions.
- (c) Review and discuss annual and interim earnings press releases, if any, before the Company publicly discloses this information, ensuring that the review by the Committee is noted in the press release.
- (d) Review and approve the interim quarterly unaudited financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and, where applicable, the independent auditors prior to the filing on SEDAR+ or their inclusion in any filing with regulatory authorities. Also, the Committee shall discuss the results of the quarterly review, if any, and any other matters required to be communicated to the Committee by the independent auditors under IFRS or generally accepted auditing standards.
- (e) Review with management and the independent auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's disclosure to shareholders and any other filing with regulatory authorities, including their judgment about the quality, not just the acceptability of accounting principles, the reasonableness of significant estimates and judgments, and the clarity of the disclosures and notes in the financial statements.
- (f) The Committee shall discuss any matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards and shall specifically review with the independent auditors, upon completion of their audit:
  - (i) the contents of their report;
  - (ii) the scope and quality of the audit work performed;
  - (iii) the adequacy of the Company's financial and auditing personnel;
  - (iv) co-operation received from the Company's personnel during the audit;
  - (v) significant transactions outside of the normal course of business of the Company; and
  - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.
- (g) Establish procedures for the review in advance by the Committee of the public disclosure of financial information extracted from the financial statements of the Company.
- (h) Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential,

anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, including developing a whistleblower process for anonymous reporting by any employee or consultant to the Chair of the Committee.

#### *Treasury Related*

- (a) Monitor and review risk management strategies as they pertain to the Company's general insurance programs, and foreign exchange and commodity hedging programs, and make recommendations to the Board with respect to such strategies.

Approve investment policies and make recommendations to the Board.

Perform such other duties in respect of financial matters as, in the opinion of the Board, should be performed by the Committee.

#### 7. Meetings and Proceedings

The Committee shall meet as frequently as required, but not less than four times each year. Any Member or the independent auditors of the Company may call a meeting of the Committee.

The agenda of each meeting of the Committee will include input from the independent auditors, directors, officers and employees of the Company as appropriate. Meetings may include presentations by management, or professional advisors and consultants when appropriate, and will allow sufficient time to permit a full and open discussion of agenda items.

Forty-eight (48) hours advance notice of each meeting will be given to each Member verbally, by telephone or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call. Any Member may call a meeting of the Committee.

The independent auditors of the Company are entitled to attend and be heard at meetings of the Committee where there is approval of the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's disclosure to shareholders and any other filing with regulatory authorities. For certainty, the independent auditors of the Company may still be requested by the Committee to attend other meetings of the Committee, from time to time.

The quorum for each meeting of the Committee is a majority of the Members. The Chair of the Committee shall chair each meeting. In the absence of the Chair, the other Members may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or deciding vote.

The Chair of the Committee or their delegate shall report to the Board following each meeting of the Committee regarding decisions made by the Committee, as well as recommendations to the Board.

The Secretary or their delegate shall keep minutes of all meetings of the Committee, including all resolutions passed by the Committee. Minutes of meetings shall be distributed to the Members and the other directors of the Company after preliminary approval thereof by the Chair of the Committee.

The Committee shall meet regularly without management present to facilitate full communication.

#### 8. Self-Assessment

The Committee and the Board shall annually assess the effectiveness of the Committee with a view to

ensuring that the performance of the Committee accords with best practices.

The Committee shall review and reassess this Committee Charter annually and recommend and obtain the approval of the Company's Board for any suggested changes.

**SCHEDULE “B”**

**Stock Option Plan**

## FOBI AI INC.

### INCENTIVE SHARE OPTION PLAN

Dated for reference ~~December 17, 2021~~ (to be updated at June 6, 2024)

#### GENERAL PROVISIONS

##### 1.1 Interpretation

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

- (a) **"Affiliate"** means a company that is one of the following:
  - (i) a Subsidiary of the Company;
  - (ii) a company to whom the Company is a subsidiary; or
  - (iii) a company that is controlled by the same person or entity as the Company;
- (b) **"Associate"** has the meaning ascribed to that term under Section 1(1) of the *Securities Act* (British Columbia);
- (c) **"Blackout Period"** means a temporary period during which Participants may not exercise their Options or sell the shares issuable pursuant to an exercise of Options, due to applicable policies of the Company in respect of insider trading;
- (d) **"Board"** means the Board of Directors of the Company, or if established and authorised by the Board to act with respect to this Plan, a committee of the board of directors of the Company consisting of not less than three directors;
- (e) **"Change of Control"** means that, if at any time when an Option granted under this Plan remains unexercised with respect to any Common Shares and:
  - (i) a person or entity makes an offer to acquire Common Shares that, regardless of whether the acquisition is completed, would make the person or entity a 20% or greater shareholder of the Company; or
  - (ii) a person or entity makes an offer, regardless of whether the acquisition is completed, to acquire Common Shares; or
  - (iii) the Company proposes to sell all or substantially all of its assets and undertaking; or
  - (iv) the Company proposes to merge, amalgamate or be absorbed by or into any other corporation (save and except for a Subsidiary) under any circumstances which involve or may involve or require the liquidation of the Company, a distribution of its assets among its shareholders, or the termination of the corporate existence of the Company; or
  - (v) the Company proposes an arrangement as a result of which a majority of the outstanding Common Shares of the Company would be acquired by a third party; or
  - (vi) any other form of transaction is proposed which the majority of the Board determines is reasonably likely to have similar effect as any of the foregoing;
- (f) **"Common Shares"** means the Common Shares without par value of the Company as currently constituted;
- (g) **"Company"** means Fobi AI Inc. and any successors;
- (h) **"Consultant"** as defined in National Instrument 45-106 – *Prospectus Exemptions* means, in relation to an Company, an individual or Consultant company, other than an Employee or a Director of the Company, that:



- (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution; and
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a material amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **“Directors”** means directors, senior officers and Management Company Employees of the Company, or directors, senior officers and Management Company Employees of the Company’s subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable laws;
- (k) **“Disinterested Shareholder Approval”** means a majority of the votes cast at a meeting of shareholders other than votes attaching to securities beneficially owned by:
  - (i) Insiders to whom shares may be issued pursuant to the Plan; and
  - (ii) any Associate of persons referred to in (i);
- (l) **“Eligible Person”** means, subject to all applicable laws, any director, officer, employee, Consultant, Consultant Company or Management Company Employee of the Company or any of its Subsidiary companies;
- (m) **“Employee”** means:
  - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada);
  - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (n) **“Exchange”** means the TSX Venture Exchange (or any successor stock exchange thereof) or such other stock exchange on which the Company’s shares are listed for trading from time to time and on which a majority of the trading volume occurs;
- (o) **“Fair Market Value”** means, with respect to a Common Share subject to Option, the 10-day average of the closing prices of the Company’s Common Shares on the TSX Venture Exchange or, if the Common Shares are not listed on such exchange, on such other exchange or exchanges on which the Common Shares are listed on a specific day. If no Common Shares have been traded on such day, the Fair Market Value shall be established on the same basis on the last previous day for which a trade was reported by such exchange. If the Common Shares are not listed for trading on such exchange, on such day, the Fair Market Value shall be such price per Common Share as the Board, acting in good faith, may determine;
- (p) **“Insider”** means:

- (i) an insider as defined under Section 1(1) of the *Securities Act* (British Columbia); and
  - (ii) an Associate as defined under Section 1(1) of the *Securities Act* (British Columbia) of any person who is an insider by virtue of (i) above;
  - (iii) a director or senior officer of the Company;
  - (iv) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
  - (v) a person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares;
- (q) **"In The Money Amount"** means: (i) in the case of a Change of Control in which the holders of Common Shares will receive only cash consideration, the difference between the Option exercise price and the cash consideration paid per Share pursuant to that Change of Control; (ii) in the case of a Change of Control in which the holders of Common Shares will receive exchanged shares, the difference between the Option exercise price and the exchanged share price; or (iii) in the case of a Change of Control in which the holders of Common Shares will receive cash consideration and exchanged shares, the difference between the Option exercise price and the sum of the cash consideration paid per Share plus the exchanged share price.
- (r) **"Investor Relations Activities"** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the Exchange specifically states to not be Investor Relations Activities;
- (s) **"Management Company Employee"** means an individual employed by an entity providing management services to the Company which are required for the ongoing successful operation of the business of the Company, but excluding a person or entity engaged in investor relations activities;
- (t) **"Market Price"** means the higher of the last daily closing price of the Company's listed Common Shares before the date of grant of an Option or the date of grant of an Option, less any available discount permitted by the Exchange, at the discretion of the Board;
- (u) **"Old Plan"** means the rolling 10% incentive stock option plan of the Company last approved by shareholders of the Company at the Company's annual general and special meeting of shareholders held on August 17, 2020 that this Plan replaces;
- (v) **"Old Options"** means the incentive stock options of the Company granted pursuant to the Old Plan;
- (w) **"Option"** means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (x) **"Outstanding Issue"** is determined on the basis of the number of Common Shares that are outstanding immediately prior to the share issuance or grant of the option in question, excluding Common Shares issued pursuant to Share Compensation Arrangements over the preceding one-year period;
- (y) **"Participant"** means Eligible Persons to whom Options have been granted;
- (z) **"Plan"** means this incentive share option plan of the Company as the same may be amended from time to time;
- (aa) **"Promoter"** means a promoter as defined under Section 1(1) of the *Securities Act* (British Columbia);
- (bb) **"Share Compensation Arrangement"** means any stock option, share option plan, employee share purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share

purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise;

- (cc) **"Subsidiary"** has the meaning ascribed to that term under Subsection 1(1) of the *Securities Act* (British Columbia); and
- (dd) **"Termination Date"** means the date on which a Participant ceases to be an Eligible Person;

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

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

## 1.2 Purpose

The purpose of the Plan is to advance the interests of the Company by (i) providing Eligible Persons with additional incentive to develop and promote the growth and success of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, (iv) encouraging the Eligible Person to remain with the Company or its Subsidiaries or any Associate, and (v) attracting and retaining persons of outstanding competence whose efforts will dictate, to a large extent, the future growth and success of the Company.

## 1.3 Transition

Upon the adoption of this Plan, no further Old Options may be granted pursuant to the Old Plan. However, for so long as Old Options remain outstanding, such Old Options shall continue to be governed by the provision of the Old Plan unless the holder of such Old Options and the Company agree in writing for such Old Options to be governed by this Plan, in which case, such Old Options shall be deemed to be Options for the purposes of this Plan.

## 1.4 Administration

- (a) This Plan shall be administered by the Board.
- (b) Subject to the limitations of the Plan, the Board shall have the authority:
  - (i) to grant Options to purchase Common Shares to Eligible Persons;
  - (ii) to determine the terms, limitations, restrictions and conditions respecting such grants, including, the number of Common Shares for which any Option may be granted to an Eligible Person and the exercise price at which Common Shares may be purchased under any Option to be granted to an Eligible Person;
  - (iii) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable;
  - (iv) in its discretion but subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the exercisability of an Option, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Participant holding such Option or (b) consented to by such Participant;
  - (v) correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Board deems necessary or desirable to carry it into effect. Any decision of the Board in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned; and
  - (vi) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan including, without limitation, for

the purpose of ensuring compliance with Section 1.8 hereof, as it may deem necessary or advisable.

- (c) No member of the Board shall be liable for anything done or omitted to be done by such member, by any member of the Board or by any officer of the Company in connection with the performance of any duties under the Plan, except for such member's own willful misconduct or as expressly provided by statute.
- (d) All administrative costs of the Plan shall be paid by the Company.
- (e) The Company shall maintain a register in which shall be recorded or maintained:
  - (i) the name and address of each Participant;
  - (ii) the number of Common Shares subject to Options granted to each Participant, the number of Common Shares issued to each Participant upon the exercise of Options, and the number of Common Shares subject to Options remaining outstanding, including vesting provisions;
  - (iii) a copy of each outstanding Option agreement evidencing a grant of Options; and
  - (iv) such other information as the Board may determine.

## 1.5 Shares Reserved

- (a) The total number of Common Shares issuable upon the exercise of Options that may be granted under the Plan plus Old Options outstanding under the Old Plan may not exceed 20% of the total number of issued and outstanding Common Shares on the date of shareholder approval of this Plan. (Note: approval of the plan was given by the shareholders on ~~December 17, 2021~~, and the shares issued and outstanding on [June 6, 2024] ~~December 17, 2021~~ was ~~144,212,294~~ [ • ]. The resulting number of options authorized is therefore [ • ] ~~28,711,462~~ .) *[to be updated at June 6, 2024 post Meeting]*
- (b) Subject only to paragraph 1.5(d) and paragraph 1.6(d) below, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to ~~any one individual under the Plan~~ shall be ~~5%~~ of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (c) Subject only to paragraph 1.5(d) and paragraph 1.6(d) below, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to any one Consultant under the Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (d) As long as the Company's Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to a director who is employed in an investor relations capacity or to an employee who is employed in an investor relations capacity at any time under the Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to all persons engaged in investor relations activities under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (e) Any Common Shares subject to an Option which for any reason is cancelled, expired, forfeited, or terminated without having been exercised, shall again be available for grant under the Plan. No fractional shares shall be issued. Please refer to Section 1.10(e) for the manner in which a fractional share value shall be treated.
- (f) If there is a change in the outstanding Common Shares by reason of any stock dividend or any recapitalization, amalgamation, subdivision, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the relevant stock exchanges, appropriate substitution or adjustment in

- (i) the number or kind of shares or other securities reserved for issuance pursuant to the Plan, and
- (ii) the number and kind of shares subject to unexercised Options theretofore granted and in the option price of such shares;

provided however, that no substitution or adjustment shall obligate the Company to issue or sell fractional shares. If the Company is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

#### **1.6 Limits with respect to Insiders**

Subject only to obtaining approval of the TSX Venture Exchange (and any other exchange upon which the common shares of the Company may be posted and listed for trading) and Disinterested Shareholder Approval for the grant of any Options under the circumstances described in Section 1.6 of the Plan, the Company may cause:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders to exceed 10% of the Outstanding Issue;
- (b) the issuance to Insiders, within a one-year period, of Common Shares to exceed 10% of the Outstanding Issue;
- (c) the issuance to any one Insider, within a one year period of a number of shares exceeding 5% of the Outstanding Issue; or
- (d) a reduction in the exercise price of Options previously granted to Insiders.

Any entitlement granted prior to the Participant becoming an Insider of the Company shall be excluded in determining the number of Common Shares issuable to Insiders.

#### **1.7 Amendment and Termination**

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Participant without the consent of such Participant. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- (b) With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to the prior approval of the relevant stock exchanges.
- (c) Subject to any required regulatory approvals including the approval of any stock exchange on which the Common Shares may trade, the types of amendments that do not require the approval of the shareholders of the Company include, but are not limited to:
  - (i) amendments of a 'housekeeping' nature, including those required to clarify any ambiguity or rectify any inconsistency in the Plan;
  - (ii) amendments made to comply with any changes required by applicable regulatory authorities having jurisdiction over securities of the Company from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;
  - (iii) amendments which are advisable to accommodate changes in tax laws;
  - (iv) the extension of accelerated expiry dates to, but not beyond, the expiry date originally set at the time of the Option grant;

- (v) amendments to the vesting provisions of any Option granted under the Plan; and
  - (vi) amendments to the terms of Options in order to maintain Option value in connection with an adjustment in the Common Shares of the Company.
- (d) Subject to any required regulatory approvals including the approval of any stock exchange on which the Common Shares may trade, the exercise price for and the number of Common Shares covered by an Option may be adjusted, with respect to the then unexercised portion thereof, by the Board from time to time (on the basis of such advice as the Board considers appropriate, including, if considered appropriate by the Board, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this Plan. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board and any such determination will be binding on the Company, the optionee and all other affected parties.

### 1.8 Compliance with Legislation

The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Common Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.

If any Common Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such regulatory approval after using commercially reasonable efforts, then the obligation of the Company to issue such Common Shares shall terminate and the exercise price for the applicable Options paid to the Company shall be returned to the Participant.

No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

In addition to resale restrictions under applicable securities laws, including NI 45-102 *Resale of Securities*, and as long as the Company's Common Shares are listed on the TSX Venture Exchange, all Options and Common Shares issued on the exercise of Options to Insiders or Promoters or for Options having an exercise price per Share that is less than the Market Price, any Common Shares issued on the exercise of such Options will be subject to a four month hold period commencing on the particular date of grant of the Option, and certificates for the Common Shares will bear a restrictive legend setting out any such applicable hold period if the Options are exercised in the first four months after the date of grant, must be legended with a four month hold period from the date of grant as follows:

***“Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”***

If Options are granted to any resident or citizen of the United States, the Board and the Company will use their best efforts to ensure that all matters pertaining to such Options shall be made in compliance with applicable United States securities laws.

## **1.9 Effective Date**

The Plan has been adopted by the Board of the Company subject to the approval of the TSX Venture Exchange and if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

## **1.10 Miscellaneous**

- (a) The grant and exercise of Options granted hereunder must only be made in compliance with the other then adopted policies of the Company, including, without limitation, in compliance with any Blackout Period(s) imposed by the Company.
- (b) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or shareholder approval.
- (c) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (d) The Plan does not give any Participant or any employee of the Company or any of its Associate or Subsidiary companies the right or obligation to or to continue to serve as a director, officer or employee, as the case may be, of the Company or any of its Associates or Subsidiary companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.
- (e) No fractional Common Shares shall be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (f) Nothing in this Plan or any Option will confer upon a Participant any right to continue or be re-elected as a director of the Company or any right to continue in the employ or engagement of the Company or any Subsidiary, or affect in any way the right of the Company or any Subsidiary to terminate the Participant's employment or engagement at any time; nor will anything in this Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Subsidiary to extend the employment or engagement of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary or any present or future retirement policy of the Company or any Subsidiary, or beyond the time at which the Participant would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Subsidiary.

## **OPTIONS**

### **1.11 Grants**

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 1.13 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and designation of a Participant in any year shall not require the designation of such person to receive an Option in any other year. The Board shall

consider such factors as it deems pertinent in selecting Participants and in determining the amount and terms of their respective Options.

### **1.12 Option Price**

The Board shall establish the Option price at the time each Option is granted, which shall, as long as the Company's Common Shares are listed on the TSX Venture Exchange, be not less than the Market Price.

The Option price shall be subject to adjustment in accordance with the provisions of Section 1.5(f) hereof.

### **1.13 Exercise of Options**

- (a) Options granted must expire not later than a maximum of 10 years from the date of grant.
- (b) Options will vest at the discretion of the Board, as determined at the time of each grant and as laid out in the option agreement, provided that options granted to employees or consultants or persons performing investor relations activities shall vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. Should no vesting schedule be assigned by the Company, the Options shall vest immediately.
- (c) Options shall not be assignable or transferable by the Participant for any reason, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative within 180 days of the date of death. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of this Plan, or upon the levy of any attachment or similar process upon an Option, the Option will, at the election of the Company, cease and terminate and be of no further force or effect whatsoever.
- (d) Subject to Section 1.13(a) and except as otherwise determined by the Board:
  - (i) if a Participant ceases to be an Eligible Person which, for the purposes of this Subsection does not include persons engaged in investor relations activities and Directors: (A) for cause (as determined by common law or by any agreement governing the relationship between such Participant and the Company), each Option held by the Participant will cease to be exercisable immediately upon termination of the Participant's engagement or position with the Company; or (B) for any other reason whatsoever except for death, each Option held by the Participant will cease to be exercisable no more than **90** days after the Termination Date. Options granted to Participants engaged in investor relations activities must expire within **30** days after the Participant ceases to be engaged to provide investor relations activities. Options granted to Directors who retire or resign shall expire **90** days after the date the Director retires or resigns. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or is entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
  - (ii) if a Participant dies, the legal representative of the Participant may exercise the Participant's Options within **180** days after the date of the Participant's death, but only to the extent the Options were by their terms vested or exercisable on the date of death;
  - (iii) the retirement of any Participant who is a director of the Company or any Subsidiaries or Associate companies at any annual general meeting of the Company or such Subsidiaries as required by the constating documents of the Company or Subsidiaries, as the case may be, shall not result in the termination of the Option granted to such Participant provided that such Participant is re-elected at such annual general meeting as a director of the Company or such Subsidiary, as the case may be; and



- (iv) the change in the duties or position of a Participant or the transfer of such Participant from a position with the Company to a position with a Subsidiary, or vice-versa, shall not trigger the termination of such Participant's Option provided such Participant remains a director, officer, employee or Consultant of the Company or Subsidiary.
- (e) Each Option shall be confirmed by an Option agreement executed on behalf of the Company by any one director of the Board or the Corporate Secretary or Chief Operating Officer or Chief Executive Officer, or Chief Financial Officer and by the Participant and each Option agreement shall incorporate such terms and conditions as the Board in its discretion deems consistent with the terms of the Plan.
- (f) The exercise price of each Common Share purchased under an Option shall be paid in full in cash or by bank draft, wire transfer, or certified cheque at the time of such exercise, in lawful money of Canada, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (g) Subject to the terms and conditions of this Plan, an Option may be exercised by written notice signed by the Participant and dated the date of exercise, and not post-dated, stating that the Participant elects to exercise his rights to purchase Common Shares under such Option and the number of Common Shares in respect of which such Option is being exercised, accompanied by full payment for the Common Shares being purchased under such Option delivered to the Company at its principal office at **Unit 200 – 541 Howe Street, Vancouver, BC V6C 2C2** (or such other address of the principal office of the Company at the time of exercise) addressed to the attention of the Corporate Secretary of the Company. Delivery of any notice of exercise accompanied by the payment may be made by personal delivery, by courier service or by agent.
- (h) Upon exercise of an Option, a certificate or certificates, or DRS advice, or other papers evidencing the Common Shares in respect of which the Option is exercised shall forthwith be delivered to the Participant.
- (i) Notwithstanding the foregoing provision of this Section, if there is a Change of Control, a takeover bid or tender offer made for all or any of the issued and outstanding Common Shares, then, subject to the acceptance of the Exchange, if required, the Board may, by resolution:
  - (i) permit all Options outstanding to become immediately exercisable in order to permit the Common Shares issuable under such Options to be tendered to such bid or offer;
  - (ii) accelerate the vesting of the Option and the time for the fulfillment of any conditions or restrictions on such vesting to a date or time prior to the effective time of the Change of Control, and any Options not exercised or surrendered by the effective time of the Change of Control will be deemed to have expired;
  - (iii) offer to acquire from each Participant his or her Options for a cash payment equal to the In The Money Amount, and any Options not so surrendered or exercised by the effective time of the Change of Control will be deemed to have expired; and
  - (iv) determine that an Option granted under this Plan be exchanged for an option to acquire, for the same exercise price, that number and type of securities as would be distributed to the Participant in respect of the Common Shares issued to the Participant had the Participant exercised the Option prior to the effective time of the Change of Control, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Change of Control, regardless of the continuing directorship, officership or employment of the holder.

**1.14** Without limiting the generality of the foregoing, the Company may, as a condition to the exercise of any Option, require that the Participant pay to the Company, concurrently with the payment of

the full exercise price of the Common Shares being purchased, by way of certified cheque, wire transfer, or bank draft, an amount in cash equal to any withholding taxes that the Company is required to remit to the Canada Revenue Agency on account of payroll withholding obligations (including, but not limited to, income tax, UIC and/or CPP) as a result of the exercise of the Option by the Participant.

#### **1.15 Representation by Participants**

Each Option agreement shall provide that upon each exercise of an Option, the Participant (including for the purposes of this Section 1.15 each other person who, pursuant to Subsection 1.13(d) hereof, may purchase Common Shares under an Option granted to an Eligible Person) shall, if so requested by the Company, represent and agree in writing that:

- (a) the person is, or the Participant was, a director, officer, employee or Consultant of the Company or a director, officer, employee or Consultant of any Subsidiary or Associate and has not been induced to purchase the Common Shares by expectation of employment or continued employment;
- (b) the person is purchasing the Common Shares pursuant to the exercise of such Option as principal for the Participant's own account (or if such Participant is deceased, for the account of the estate of such deceased Participant) for investment purposes, and not with a view to the distribution or resale thereof to the public;
- (c) the person will, prior to and upon any sale or disposition of any of the Common Shares purchased pursuant to the exercise of such Option, comply with all applicable securities laws and any other federal, provincial or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition; and
- (d) such Participant (or such other person) will not offer, sell or deliver any of the Common Shares purchased pursuant to the exercise of such Option, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with United States federal and state securities laws. The Participant acknowledges that the Company has the right to place any restriction or legend on any securities issued pursuant to this agreement or its Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the *Securities Act* (1933) of the United States and may not be offered or sold in the United States unless registration or an exemption from registration is available.

The Company may employ other procedures and require further documentation from a Participant to ensure compliance with all applicable laws.

The issue and sale of Common Shares pursuant to any Option granted under the Plan is specially conditioned on such issue and sale being made in compliance with applicable securities laws, and the Company shall have no obligation to issue or sell any Common Shares pursuant to the exercise of any Option unless the Board determines in its sole discretion that such issue and sale will be made in compliance with applicable securities laws. The Company will be entitled to take such action as it deems necessary to restrict the transferability in the United States of any Common Shares acquired on exercise of any Option.

#### **1.16 Representation by the Company**

Each Option agreement related to stock option grants to an employee, Consultant or Management Company Employee shall include a representation by the Company that the Participant is a bona fide employee, Consultant or Management Company Employee of the Company or its Subsidiaries.

#### **1.17 Notice to Commissions and Exchanges**

The Company will give notice to all applicable securities commissions and other regulatory bodies in Canada and the United States and all applicable stock exchanges and other trading facilities upon which the Common Shares are listed or traded, as may be required, of its adoption of this Plan and of its entering into Option agreements with Eligible Persons and the terms and conditions for the purchase of Common

Shares under such Option agreements, and will use all reasonable efforts to obtain any requisite approvals as may be required from such bodies, exchanges and trading facilities.

**SCHEDULE “C”**

**Long Term Incentive Plan**

## LONG-TERM INCENTIVE PLAN

FOBI AI INC.

(the "Company")

## LONG-TERM PERFORMANCE INCENTIVE PLAN

### ARTICLE I. ESTABLISHMENT AND PURPOSE OF THIS PLAN

The Company proposes to establish this long-term incentive plan (this "**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Directors, Key Employees and Consultants of the Company and its Subsidiaries; (ii) encouraging such Directors, Key Employees and Consultants to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Directors, Key Employees and Consultants with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units and Deferred Share Units to Directors, Key Employees and Consultants of the Company and its Subsidiaries as further described in this Plan.

### ARTICLE II. DEFINITIONS

As used in this Plan, the following terms have the meanings set forth below:

- (a) "**Affiliate**" has the meaning ascribed thereto in the policies of the Exchange;
- (b) "**Associate**" has the meaning ascribed thereto in the Securities Act;
- (c) "**Award**" means any award of Restricted Share Units, Performance Share Units or Deferred Share Units granted under this Plan;
- (d) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (e) "**Board**" means the board of Directors of the Company;
- (f) "**Board Member**" means a member of the Board;
- (g) "**Business Day**" means any day, other than a Saturday or Sunday, on which banks are open for business in Vancouver, British Columbia;
- (h) "**Change of Control**" means the acquisition by any Person or by any Person and a "joint actor" (as defined in National Instrument 62-103), whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such Person or by such Person and a Person "acting jointly or in concert" (as defined in National Instrument 62-103) with another Person totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (i) "**Company**" means FOBI AI Inc., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (j) "**Consultant**" means a Person (other than a Key Employee or Director) that:
  - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or an Affiliate of the Company, other than services

- provided in relation to a distribution (as defined in the Securities Act);
- (ii) provides the services under a written contract with the Company or an Affiliate of the Company, as the case may be;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company, and includes:
    - A. for a Person that is an individual, a corporation of which such individual is an employee or shareholder, and a partnership of which the individual is an employee or partner; and
    - B. for a Person that is not an individual, an employee, executive officer or director of the consultant, *provided that* the individual employee, executive officer or director spends or will spend a significant amount of time on the affairs and business of the Company or an Affiliate of the Company;
- (k) **"Deferred Share Unit"** means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5.03, subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (l) **"Determination Date"** means a date determined by the Board, in its sole discretion, which will be no later than ninety (90) days after the expiry of a Performance Cycle;
- (m) **"Director"** means a member of the Board or a member of the board of directors of a Subsidiary;
- (n) **"Disability"** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (o) **"Effective Date"** has the meaning ascribed thereto in Article VIII;
- (p) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees such Director wishes to receive in Deferred Share Units under this Plan;
- (q) **"Eligible Persons"** means Directors, Key Employees and Consultants;
- (r) **"Exchange"** means the TSX Venture Exchange, or such other exchange upon which the Shares may become listed for trading;
- (s) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company or a Subsidiary;
- (t) **"Grant Date"** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (u) **"Insider"** has the meaning ascribed thereto in the Securities Act;
- (v) **"Investor Relations Activities"** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company

- A. to promote the sale of products or services of the Company, or
    - B. to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) activities or communications necessary to comply with the requirements of:
    - A. applicable securities laws, or
    - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - A. the communication is only through the newspaper, magazine or publication; and
    - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange
- (w) **"Key Employees"** means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
  - (x) **"Market Unit Price"** means the value of a Share determined by reference to the five (5) day volume weighted average closing price of the Shares on the immediately preceding five (5) Trading Days on which trading in the Shares took place;
  - (y) **"Options"** means incentive share purchase options entitling the holder thereof to purchase Shares;
  - (z) **"Option Plan"** means the incentive stock option plan of the Company as may be in force from time to time, and as may be amended or amended and restated from time to time;
  - (aa) **"Participant"** means any Eligible Person to whom an Award under this Plan is granted;
  - (bb) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Performance Share Units or Deferred Share Units credited to a Participant from time to time;
  - (cc) **"Performance-Based Awards"** means, collectively, Performance Share Units and Restricted Share Units;
  - (dd) **"Performance Criteria"** means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or the financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
  - (ee) **"Performance Cycle"** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
  - (ff) **"Performance Share Unit"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.02 and subject to the terms and conditions of this Plan and the applicable

Award Agreement;

- (gg) **"Person"** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (hh) **"Restricted Share Unit"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.01 and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (ii) **"Restriction Period"** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period will be no less than twelve (12) months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the Restricted Share Units;
- (jj) **"Retirement"** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (kk) **"Securities Act"** means the *Securities Act* (British Columbia), as amended, from time to time;
- (ll) **"Security-Based Compensation Arrangement"** means a stock option plan, including the Option Plan, employee stock purchase plan, long-term incentive plan, including this Plan, or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (mm) **"Shares"** means the common shares without par value of the Company;
- (nn) **"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (oo) **"Termination Date"** means, as applicable:
  - (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and
  - (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that such Participant's services are no longer required;
- (pp) **"Trading Day"** means any date on which the Exchange is open for trading; and
- (qq) **"Vesting Date"** means, in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

## ARTICLE III. ADMINISTRATION

### 3.01 Board to Administer Plan

Except as otherwise provided herein, this Plan will be administered by the Board and the Board will have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.



### **3.02 Delegation to Committee**

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by such committee as the Board may determine.

### **3.03 Interpretation**

All actions taken and all interpretations and determinations made or approved by the Board in good faith will be final and conclusive and will be binding on the Participants and the Company.

### **3.04 No Liability**

No Board Member will be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Board Members will, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan will be for the account of the Company.

## **ARTICLE IV. SHARES AVAILABLE FOR AWARDS**

### **4.01 Limitations on Shares Available for Issuance**

- (a) The aggregate number of Shares issuable under this Plan in respect of Awards and under the Option Plan in respect of Options will not exceed will not exceed twenty percent (20%) of the total number of issued and outstanding Shares on the date of shareholder approval of the Option Plan. (Note: approval of the Option Plan was given by the shareholders on ~~December 17, 2021~~ [June 6, 2024] and the Shares issued and outstanding at that time was ~~444,212,294~~ [•]. The resulting number Shares issuable under this Plan in respect of Awards and under the Option Plan authorized is therefore ~~28,711,462~~[•].)
- (b) So long as it may be required by the rules and policies of the Exchange:
  - (i) the total number of Shares issuable to any Participant under this Plan, within any one-year period, together with Shares reserved for issuance to such Participant under all of the Company's other Security-Based Compensation Arrangements, will not exceed five percent (5%) of the issued and outstanding Shares;
  - (ii) at the time of grant of any Award hereunder, the total number of Shares issuable under this Plan to the Participant receiving such Award will not exceed one percent (1%) of the issued and outstanding Shares;
  - (iii) the total number of Shares issuable to any Participant under this Plan, within any one-year period, will not exceed two percent (2%) of the issued and outstanding Shares;
  - (iv) the total number of Shares issuable to Insiders under this Plan, within any one-year period and at any time under this Plan, together with Shares reserved for issuance to Insiders within any one-year period and at any time under all of the Company's other Security-Based Compensation Arrangements, will not exceed ten percent (10%) of the issued and outstanding Shares; and
  - (v) the total number of Shares issuable to any Consultant, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, will not exceed two percent (2%) of the issued and outstanding Shares in any twelve (12) month period;

- (c) the total number of Shares issuable to Persons performing Investor Relations Activities, together with Shares issuable to Persons performing Investor Relations Activities under all of the Company's other Security-Based Compensation Arrangements, will not exceed two percent (2%) of the issued and outstanding Shares in any twelve (12) month period; and
- (d) the grant value of Shares reserved for issuance pursuant to Awards hereunder, plus the grant value of Options granted under this and any other Security-Based Compensation Arrangements of the Company to any one non-executive Director, will not exceed \$100,000 in any fiscal year, calculated by the Company as of the Grant Date.

#### **4.02 Accounting for Awards**

For purposes of this Article IV:

- (a) if an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, will be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (b) notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, will be available again for granting Awards under this Plan.

#### **4.03 Anti-Dilution**

If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units and/or Deferred Share Units credited to a Participant. Any determinations by the Board as to the required adjustments will be made in its sole discretion and all such adjustments will be conclusive and binding for all purposes under this Plan.

### **ARTICLE V. AWARDS**

#### **5.01 Restricted Share Units**

- (a) Eligibility and Participation. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons. Restricted Share Units granted to a Participant will be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant will be determined by the Board, in its sole discretion, in accordance with this Plan. Each Restricted Share Unit will, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units will be specified in the applicable Award Agreement.
- (b) Restrictions. Restricted Share Units will be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting. All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (d) Change of Control. In the event of a Change of Control, all restrictions upon any Restricted Share Units will lapse immediately and all such Restricted Share Units will become fully vested in the

Participant and will accrue to the Participant in accordance with Section 5.01(j).

- (e) Death. Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or the Participant's estate, as the case may be, will have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Article 5.01(j).
- (f) Termination of Employment.
  - (i) Where, in the case of a Key Employee, a Participant's employment is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and will be of no further force or effect as of the Termination Date.
  - (ii) Where, in the case of a Key Employee, a Participant's employment terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and will be of no further force or effect as of the Termination Date; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(j).
  - (iii) Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan will cease as of the Termination Date.
- (g) Disability. Where, in the case of a Key Employee, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however*, that no Restricted Share Units may be redeemed during a leave of absence. Where a Key Employee's employment is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and will be of no further force or effect as of the Termination Date; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(j).
- (h) Cessation of Directorship. Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and will be of no further force or effect as of the date the Participant ceases to be a Director; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(j).
- (i) Termination of Service. Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, any Restricted Share Units granted to the

Participant under this Plan that have not yet vested will be forfeited and cancelled and will be of no further force or effect as of the date of termination of service; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the termination of the Participant's service to the Company for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(j).

- (j) Payment of Award. As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company will issue from treasury to the Participant, or if Section 5.01(e) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued will be cancelled and no further payments will be made to the Participant under this Plan in relation to such Restricted Share Units.

## **5.02 Performance Share Units**

- (a) Eligibility and Participation. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Key Employees and Consultants. Performance Share Units granted to a Participant will be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant will be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit will, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units will be specified in the applicable Award Agreement.
- (b) Performance Criteria. The Board will select, settle and determine the Performance Criteria (including, without limitation, the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur that have a substantial effect on the financial results and which, in the sole judgment of the Board, make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing and any such revision will be subject to the approval, if required, of such applicable regulatory authorities or stock exchanges.
- (c) Vesting. All Performance Share Units will vest and become payable to the extent that the applicable Performance Criteria set forth in the Award Agreement are satisfied for the applicable Performance Cycle, the determination of which satisfaction will be made by the Board, in its sole discretion, on the Determination Date.
- (d) Change of Control. In the event of a Change of Control, all Performance Share Units granted to a Participant will become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and will become payable to the Participant in accordance with Section 5.02(i).
- (e) Death. Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant that, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or the Participant's estate, as the case may be, will have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested will

become payable in accordance with Section 5.02(i).

(f) Termination of Employment.

- (i) Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, will be forfeited and cancelled, and will be of no further force or effect as of the Termination Date.
- (ii) Where, in the case of Key Employees, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant will have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested will become payable in accordance with Section 5.02(i).
- (iii) In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan will cease as of the Termination Date.

- (g) Disability. Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's employment is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant will have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested will become payable in accordance with Section 5.02(i).

- (h) Termination of Service. Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant will have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested will become payable in accordance with Section 5.02(i).

- (i) Payment of Award. Payment to Participants in respect of vested Performance Share Units will be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. Such payments will be made entirely in Shares. The Company will issue from treasury to the Participant, or if Section

5.02(e) applies, to the Participant's estate, a number of Shares equal to the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued will be cancelled and no further payments will be made to the Participant under this Plan in relation to such Performance Share Units.

### **5.03 Deferred Share Units**

- (a) Eligibility and Participation. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors in lieu of Fees. A Director becomes a Participant effective as of the date such Director is first appointed or elected as a Director and ceases to be a Participant at the time such Director ceases to be a Director for any reason. Deferred Share Units granted to a Participant in accordance with Section 5.03 will be credited, as of the Grant Date, to the Participant's Account.
- (b) Election. Each Director may elect to receive any or all of such Director's Fees in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in Deferred Share Units will be made no later than ninety (90) days after this Plan is adopted by the Board, and thereafter no later than June 30 (or such other date as the Company may from time to time designate as its financial year end) of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a financial year and wishes to receive any or all of such Director's Fees for the remainder of that year in Deferred Share Units must make an election within sixty (60) days of becoming a Director.
- (c) Calculation. The number of Deferred Share Units to be credited to the Participant's Account will be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as may be required under Exchange policies) which will be the tenth (10<sup>th</sup>) Business Day following each financial quarter end. If, as a result of the foregoing calculation, a Participant will become entitled to a fractional Deferred Share Unit, the Participant will only be credited with a full number of Deferred Share Units, any fractions will be rounded down and no payment or other adjustment will be made with respect to any fractional Deferred Share Unit.
- (d) Payment of Award. Each Participant will be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be a Director as the Participant and the Company may agree, which date will be no later than the end of the Company's financial year following the year in which the Participant ceases to be a Director) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be a Director, at the sole discretion of the Board, either:
  - (i) that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
  - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be a Director of the Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (e) Exception. In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units (net of applicable withholdings) will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (f) Death. Upon death of a Participant, the Participant's estate will be entitled to receive, within one-

hundred and twenty (120) days after the Participant's death and at the sole discretion of the Board, a cash payment (net of applicable withholdings) or Shares that would have otherwise been payable in accordance with Section 5.03(d) to the Participant upon such Participant ceasing to be Director.

- (g) Deductions. Whenever cash is to be paid on redemption of Deferred Share Units, the Company will have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on redemption of Deferred Share Units, the Company will have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld; or
  - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

#### **5.04 General Terms Applicable to Awards**

- (a) Forfeiture Events. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events will include, but will not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (b) Awards May be Granted Separately or Together. Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards. Except as otherwise provided in an Award Agreement or determined by the Board, in its sole discretion, no Award and no right under any such Award, will be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof will be void and unenforceable against the Company.
- (d) Conditions and Restrictions on Securities Subject to Awards. The Board may provide that the Shares issued under an Award will be subject to such further agreements, restrictions, conditions or limitations as the Board, in its sole discretion, may specify, including, without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including, without limitation:
- (i) restrictions under an insider trading policy or pursuant to applicable law;

- (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements;
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and
  - (iv) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- (e) Share Certificates. All Shares delivered under this Plan pursuant to any Award will be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (f) Conformity to Plan. In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award will not be in any way void or invalidated, but the Award will be deemed to be adjusted to become, in all respects, in conformity with this Plan.

## **5.05 General Terms Applicable to Performance-Based Awards**

- (a) Performance Evaluation; Adjustment of Goals. Each time that a Performance-Based Award is issued, the Board, in the Award Agreement or in another written document, will specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
- (i) judgments entered or settlements reached in litigation;
  - (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
  - (vii) foreign exchange gains and losses.

In the event the Award Agreement or other written document does not specify with respect to the above, the foregoing events will be deemed to be included in the evaluation of performance.

- (b) Adjustment of Performance-Based Awards. The Board will have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board will retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.



## **ARTICLE VI. AMENDMENT AND TERMINATION**

### **6.01 Amendments and Termination of this Plan**

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required approval of any applicable regulatory authority or the Exchange; and
- (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval will not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) amendments of a "housekeeping nature";
  - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
  - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
  - (iv) amendments respecting administration and eligibility for participation under this Plan;
  - (v) changes to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including changes to the vesting provisions and terms of any Awards;
  - (vi) amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
  - (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards will remain outstanding and in effect in accordance with their applicable terms and conditions.

### **6.02 Amendments to Awards**

The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards previously granted, prospectively or retroactively. No such amendment or alteration will be made which would impair the rights of any Participant, without such Participant's consent, under any Award previously granted, provided that no such consent will be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **ARTICLE VII. GENERAL PROVISIONS**

### **7.01 No Rights to Awards**

No Eligible Person or any other Person will have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Eligible Persons or holders or beneficiaries of Awards under

this Plan. The terms and conditions of Awards need not be the same with respect to each Participant.

#### **7.02 Withholding**

The Company will be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes.

#### **7.03 No Limit on Other Security-Based Compensation Arrangements**

Nothing contained in this Plan will prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

#### **7.04 No Right to Employment**

The grant of an Award will neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

#### **7.05 No Right as Shareholder**

Neither the Participant nor any representatives of a Participant's estate will have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Restricted Share Units, Performance Share Units and/or Deferred Share Units until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

#### **7.06 Governing Law**

This Plan and all of the rights and obligations arising from this Plan will be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### **7.07 Severability**

If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision will be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision will be stricken as to such jurisdiction, Person or Award, and the remainder of this Plan and any such Award will remain in full force and effect.

#### **7.08 No Trust or Fund Created**

Neither this Plan nor any Award will create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right will be no greater than the right of any unsecured creditor of the Company.

#### **7.09 No Fractional Shares**

No fractional Shares will be issued or delivered pursuant to this Plan or any Award, and any fractional entitlement will be rounded down to the nearest whole number of Shares and any fractional Shares or any rights thereto will be cancelled, terminated, or otherwise eliminated.

## **7.10 Headings**

Headings are given to the Articles and Sections of this Plan solely as a convenience to facilitate reference. Such headings will not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

## **7.11 No Representation or Warranty**

The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

## **7.12 No Representations or Covenant with Respect to Tax Qualification**

Although the Company may, in its discretion, endeavor to (a) qualify an Award for favourable Canadian tax treatment or (b) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

## **7.13 Conflict with Award Agreement**

In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan will govern for all purposes.

## **7.14 Compliance with Laws**

The granting of Awards and the issuance of Shares under this Plan will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company will have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

## **ARTICLE VIII. EFFECTIVE DATE OF THIS PLAN**

### **8.01 Effective Date**

This Plan will become effective upon the date (the "**Effective Date**") of approval by the Board.

## **ARTICLE IX. TERM OF THIS PLAN**

### **9.01 Term**

This Plan will terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Article VI.

**SCHEDULE “D”**

**CHANGE OF AUDITOR REPORTING PACKAGE**

**FOBI AI INC.**

**NOTICE OF CHANGE OF AUDITOR**

**TO: BDO Canada LLP**

**AND TO: British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Financial and Consumer Services Division, Department of Justice and Public Safety, Prince Edward Island  
Financial and Consumer Affairs Authority of Saskatchewan**

**DATE:** April 3, 2024

Notice is hereby given, pursuant to Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”), of the resignation of BDO Canada LLP (“**BDO**”) as auditor of Fobi AI Inc. (the “**Company**”).

1. BDO has resigned as auditor of the Company on its own initiative effective March 21, 2024. A new auditor will be appointed in due course.
2. The resignation of BDO as auditor of the Company was considered and recommended by the audit committee of the board of directors of the Company, and considered and approved by the board of directors of the Company.
3. BDO has not expressed a modified opinion on the consolidated financial statements of the Company commencing on July 1, 2022, and ending on the date of resignation.
4. There are no “reportable events” (as defined in Section 4.11 of NI 51-102), between the Company and BDO.

**FOBI AI INC.**

By: /S/ "Rob Anson"

**Rob Anson, CEO and Director**



Tel: (604) 688-5421  
Fax: (604) 688-5132  
[www.bdo.ca](http://www.bdo.ca)

BDO Canada LLP  
Unit 1100 Royal Centre  
1055 West Georgia Street, P.O. Box 11101  
Vancouver, British Columbia  
V6E 3P3

April 5, 2024

To: British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Financial And Consumer Affairs Authority of Saskatchewan  
Financial and Consumer Services Division, Department of Justice and Public Safety, Prince  
Edward Island

And to: Board of Directors of Fobi AI Inc.

**Re: Change of Auditor Notice**

We have read the notice of change of auditors of Fobi AI Inc. dated April 3, 2024. We confirm our agreement, based on our knowledge at this date, with the information contained in paragraphs 1, 3 and 4 of that notice pertaining to our firm. For the purposes of paragraph 2, we are not aware what was considered or recommended by the audit committee or the board of directors of Fobi AI Inc.

Yours very truly,

/s/ "BDO CANADA LLP"

Chartered Professional Accountants  
Vancouver, British Columbia

**FOBI AI INC.**

**NOTICE OF CHANGE OF AUDITOR**

**TO:** BDO Canada LLP

**AND TO:** MNP LLP

**AND TO:** British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Financial and Consumer Services Division, Department of Justice and Public Safety, Prince Edward Island  
Financial And Consumer Affairs Authority Of Saskatchewan

**DATE:** May 6, 2024

Notice is hereby given, pursuant to Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”), of a change of auditor of Fobi AI Inc. (the “**Company**”) from BDO Canada LLP (“**BDO**”) to MNP LLP (“**MNP**”) effective May 6, 2024.

BDO has resigned as auditor of the Company on its own initiative effective March 21, 2024. The Audit Committee of the Company has considered the resignation of BDO and the appointment of MNP and recommended to the Board of Directors of the Company and the Board of Directors of the Company has resolved, that BDO’s resignation be accepted and MNP be appointed to fill the vacancy in the office of auditor created by the resignation of BDO until the next annual meeting of shareholders of the Company.

The Company further reports BDO has not expressed a modified opinion on any of the financial statements of the Company commencing on July 1, 2022 and ending on the date of resignation.

There are no “reportable events” (as defined in Section 4.11 of NI 51-102), between the Company and BDO.

**FOBI AI INC.**

By: /s/ Rob Anson

**Rob Anson, CEO and Director**



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Fax: (604) 688-5132  
www.bdo.ca

BDO Canada LLP  
1100 Royal Centre  
1055 West Georgia Street, P.O. Box 11101  
Vancouver, British Columbia  
V6E 3P3

May 7, 2024

British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Financial and Consumer Services Division, Department of Justice and Public Safety, Prince Edward Island  
Financial And Consumer Affairs Authority Of Saskatchewan

Dear Sirs/Mesdames:

Re: Fobi AI Inc. (the "Company")

As required under section 4.11 of National Instrument 51-102, we have read the Company's Change of Auditor Notice dated May 6, 2024 ("the Notice").

We confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours very truly,

/s/ BDO CANADA LLP

Chartered Professional Accountants



May 7, 2024

British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Superintendent of Securities, Government of Newfoundland and Labrador  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Financial and Consumer Services Division, Department of Justice and Public Safety, Prince Edward Island  
Financial And Consumer Affairs Authority of Saskatchewan

Dear Sirs/ Madams:

**Re: Fobi AI Inc. (the “Company”)**

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, we have reviewed the information contained in the Notice of Change of Auditors of the Company dated May 6, 2024 (“the Notice”) and, based on our knowledge of such information at this time, we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to BDO Canada LLP.

Yours truly,



**Chartered Professional Accountants  
Licensed Public Accountants**