

THE _____
WESTERN INVESTMENT

COMPANY OF CANADA LIMITED

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

AND

MANAGEMENT INFORMATION CIRCULAR

**IN RESPECT OF AN ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS TO BE HELD ON JUNE
28, 2022**

MAY 26, 2022

THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of The Western Investment Company of Canada Limited (the "**Corporation**" or "**Western**") will be held at the offices of DS Lawyers Canada LLP, located at Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, T2P 2Z1, Canada, on Tuesday, June 28, 2022 at 8:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2021 together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at five (5);
3. to elect the directors of the Corporation to hold office until the next annual meeting of Shareholders;
4. to appoint PricewaterhouseCoopers LLP as auditors for the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to pass a resolution in the form included in the management information circular dated May 26, 2022 (the "**Information Circular**") accompanying this Notice of Annual General and Special Meeting of Shareholders (this "**Notice of Meeting**") approving the Corporation's stock option plan; and
6. to transact such other business as may properly come before the Meeting.

This Notice of Meeting is accompanied by the Information Circular and a form of proxy (the "**Form of Proxy**"). The Information Circular is expressly made part of this Notice of Meeting. **The Information Circular should be consulted for further details on matters to be acted upon.**

DATED at Calgary, Alberta this 26th day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF
THE WESTERN INVESTMENT COMPANY OF
CANADA LIMITED**

"Scott Tannas"

Scott Tannas
President and Chief Executive Officer

IMPORTANT

No person who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing, will be permitted to attend the Meeting in person. As the COVID-19 pandemic is a rapidly evolving situation, Western will continue to monitor and abide by Provincial and Federal governmental orders in order to reduce the risk of spreading the virus at the Meeting, which may include imposing restrictions on attendance at the Meeting or adjourning, postponing or changing the format of the Meeting. Western will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor Western's website at <https://winv.ca> or Western's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

Only holders of Common Shares of record at the close of business on May 24, 2022 are entitled to notice of the Meeting or any adjournment or postponement thereof and only those holders of the Common Shares of record at the close of business on May 24, 2022, or who subsequently become Shareholders and comply with the provisions of the *Business Corporations Act* (Alberta), are entitled to vote thereat.

If you are a registered Shareholder, please complete and submit the enclosed Form of Proxy or other appropriate form of proxy. Completed forms of proxy must be received by Odyssey Trust Company, by mail at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at proxy@odysseytrust.com, or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. You may also vote by internet voting at <https://login.odysseytrust.com/pxlogin> not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof.

If you are not a registered Shareholder, please complete the voting instruction form from your intermediary/broker and follow the instructions set out under "*Advice to Beneficial Shareholders on Voting Their Common Shares*" in the Information Circular.

THE
WESTERN INVESTMENT
COMPANY OF CANADA LIMITED

MANAGEMENT INFORMATION CIRCULAR

INTRODUCTION

This management information circular (this "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of The Western Investment Company of Canada Limited ("**Western**" or the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of holders ("**Shareholders**") of common Shares ("**Common Shares**") of the Corporation to be held at DS Lawyers Canada LLP, located at Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, T2P 2Z1, Canada, on Tuesday, June 28, 2022 at 8:00 a.m. (Calgary time) and at any adjournment or postponement thereof for the purposes set out in the accompanying Notice of Annual General and Special Meeting of Shareholders (the "**Notice of Meeting**"). Unless otherwise stated, the information contained in this Information Circular is given as at May 26, 2022.

No person who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing, will be permitted to attend the Meeting in person. As the COVID-19 pandemic is a rapidly evolving situation, Western will continue to monitor and abide by Provincial and Federal governmental orders in order to reduce the risk of spreading the virus at the Meeting, which may include imposing restrictions on attendance at the Meeting or adjourning, postponing or changing the format of the Meeting. Western will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor Western's website at <https://winv.ca> or Western's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

In order to ensure as many Common Shares as possible are represented at the Meeting, Registered Shareholders (as defined below) are strongly encouraged to complete the enclosed form of proxy (the "**Form of Proxy**") and return it as soon as possible in the envelope provided for that purpose. Beneficial Shareholders (as defined below) are strongly encouraged to complete the voting instruction form received from their respective intermediary/broker ("**Intermediary**") as soon as possible and to follow the instructions set out under "*Advice to Beneficial Shareholders on Voting Their Common Shares*" in this Information Circular.

Unless otherwise stated, all amounts are reported in Canadian dollars

GENERAL PROXY INFORMATION

Solicitation of Proxies

This solicitation is made on behalf of the management of Western. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors, officers, employees or agents of the Corporation. Pursuant to National Instrument 54-101 *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to Beneficial Shareholders. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The information provided in this section applies to Shareholders who hold Common Shares in their own name and have a share certificate or direct registration system (DRS) statement (a "**Registered Shareholder**"). As a Registered Shareholder, you are identified on the share register maintained by the Corporation's register and transfer agent, Odyssey Trust Company, as being a Shareholder.

The persons named in the Form of Proxy are directors and/or officers of the Corporation. **A Registered Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and represent such Registered Shareholder at the Meeting other than the persons designated in the Form of Proxy.** To exercise this right, the Registered Shareholder should insert the name of the desired representative in the blank space provided in the Form of Proxy or submit another appropriate form of proxy.

In order to be effective, a proxy must be forwarded so as to reach, or be deposited with, the Corporation's registrar and transfer agent, Odyssey Trust Company, at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at proxy@odysseytrust.com or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment or postponement thereof; provided that the Chairperson of the Meeting may, in his or her sole discretion, at the Meeting, elect to waive the requirement that proxies be deposited prior to the aforementioned time and accept any and all proxies deposited at or before the time of the Meeting or any adjournment or postponement thereof.

A Registered Shareholder may also vote by internet voting at <https://login.odysseytrust.com/pxlogin>. Votes by internet must be received not later than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. **The internet may also be used to appoint a proxyholder to attend and vote at the Meeting on the Registered Shareholder's behalf and to convey a Registered Shareholder's voting instructions.**

An instrument of proxy may be revoked at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a Registered Shareholder may revoke a proxy by:

- (i) depositing an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation:
 - (a) at the offices of the registrar and transfer agent of the Corporation, Odyssey Trust Company, Stock Exchange Tower, Suite 350, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting, or an adjournment or postponement of the Meeting, at which the proxy is to be used;
 - (b) at the registered office of the Corporation, Suite 800, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used; or
 - (c) with the Chairperson of the Meeting before the Meeting begins or, if the Meeting is adjourned or postponed, before the adjourned or postponed Meeting begins;
- (ii) completing and signing another proxy form with a later date and delivering it to the registrar and transfer agent of the Corporation not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof; or
- (iii) personally attending at the Meeting and voting the Common Shares represented by the proxy or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney of such corporation attending at the Meeting and voting such Common Shares.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must arrange for their respective Intermediary to revoke the proxy on their behalf in accordance with any requirements of the Intermediaries.

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the management designees, if named as proxy, will vote in favour of all the matters set out herein.**

The Form of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.

Advice to Beneficial Shareholders on Voting Their Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares or their proxyholders are permitted to vote at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares or a website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form or a proxy with a Broadridge sticker on it cannot use that voting instruction form or proxy to vote Common Shares directly at the Meeting. The voting instruction form or proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted at the Meeting. **If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary (or an agent of the Intermediary), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common

Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the proxy form or voting instruction form provided to them and return the same to their Intermediary (or the agent of the Intermediary) in accordance with the instructions provided by such Intermediary (or agent), well in advance of the Meeting. **Beneficial Shareholders should follow the instructions on the forms that they receive and contact their Intermediaries promptly if they require assistance.**

Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "**NOBOs**". Those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "**OBOs**".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation will be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, of which 30,302,756 Common Shares and nil preferred shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors of the Corporation to be May 24, 2022 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held, except to the extent that:

1. such person transfers his, her or its Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his, her or its ownership of the Common Shares,

and makes a demand to the registrar and transfer agent of the Corporation, not later than ten (10) days before the Meeting, that his, her or its name be included on the Shareholders list for the Meeting.

The by-laws of the Corporation provide that one (1) person present and representing in person or by proxy not less than ten percent (10%) of the outstanding Common Shares entitled to vote at the Meeting, constitutes a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company (other than securities depositories) beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Management of Western knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting. **However, if any other matter properly comes before the Meeting, the management designees, if named as proxy, will vote on such matter in accordance with the best judgment of the person or persons voting the proxy.**

I. Receipt of Financial Statements

The directors will place before the Meeting the audited financial statements of the Corporation for the year ended December 31, 2021 together with the auditors' report thereon. Shareholder approval is not required in relation to these financial statements. The financial statements have been sent to applicable Shareholders in accordance with applicable securities laws and are also available on the Corporation's profile on the SEDAR website at www.sedar.com.

II. Fix Number of Directors

The board of directors of the Corporation (the "**Board**") presently consists of five (5) directors. It is proposed that the number of directors for the ensuing year be set at five (5) and that the persons named below under "*Election of Directors*" will be nominated at the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed in accordance with the constating documents of the Corporation and the *Business Corporations Act* (Alberta) (the "**ABCA**"), unless his or her office is earlier vacated. **Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution setting the number of directors to be elected at the meeting at five (5) members.**

III. Election of Directors

The Board has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his or her election as a director, the Board shall consider the circumstances of such vote, the particular attributes of the director nominee including his or her knowledge, experience and contribution at Board meetings and make whatever determination the Board deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

The following table sets out the names and places of residence of the persons proposed to be nominated by management for election as directors of the Corporation; all positions and offices in the Corporation held by them; their current principal occupation; the periods during which they have served as a director of the Corporation; and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by them, as of the date hereof. Each director elected at the Meeting will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed in accordance with the constating documents of the Corporation and the ABCA, unless his or her office is earlier vacated.

Name, Place of Residence and Position(s) with the Corporation	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Scott Tannas President, Chief Executive Officer, Secretary and Director High River, Alberta, Canada	- Senator of Canada since 2014 - President and Chief Executive Officer of Western since October 2015 - Founder and Chief Executive Officer of Western Financial Group from 1996 to 2014	October 28, 2015	1,440,000 ⁽⁴⁾ 4.75%
James F. Dinning⁽²⁾⁽³⁾ Chairman and Director Calgary, Alberta, Canada	- President of Elbow Holdings Inc. since January 2005 - Director and Chair of Russel Metals since 2003 and 2014, respectively - Advisory Board Chair of OTPP – owned Heritage Royalty since 2016 - Chair of the board of Western Financial Group Inc. from 2002 to 2017	October 28, 2015	607,000 2.00%
Willard Yuill⁽²⁾⁽³⁾ Director Medicine Hat, Alberta, Canada	- Chief Executive Officer of The Monarch Corporation since 1993 - Chairman and Chief Executive Officer of CSH International since 1987 - Sits on the Board of Governors of St. Andrew's College since 2019	October 28, 2015	608,000 2.01%
Dr. Kabir Jivraj⁽²⁾⁽³⁾ Director Calgary, Alberta, Canada	- Managing Director at AgeCare Ltd. since 2008 - Clinical Professor at the University of Calgary, Faculty of Medicine from 2001 to 2021 - Adjunct clinical Professor at the University of Calgary, Faculty of Medicine from 2021 - Director at Avenue Living Real Estate Opportunity Trust - Director at Mini-Mall Storage Properties GP Ltd since 2019 - Director at EQ Hotels, UK since 2019	April 6, 2016	692,000 ⁽⁵⁾ 2.28%
Jennie Moushos⁽²⁾⁽³⁾ Director Burnaby, British Columbia, Canada	- Executive Vice President of Finance and Business Development of Ocean Wise since 2020 - Senior Vice President of Intact Insurance Corporation from 1995 to 2018 - Director at Optimum General Insurance since 2018 - Director at Insurance Corporation of British Columbia since October 2018	June 28, 2018	64,000 0.21%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominees, not being within the knowledge of the Corporation, has been provided to the Corporation by the nominees.
- (2) Member of the audit committee, of which Jennie Moushos is the Chair.
- (3) Member of the compensation and corporate governance committee, of which Dr. Jivraj Kabir is the Chair.
- (4) Includes 219,208 Common Shares held by Mr. Tannas's spouse.
- (5) 345,500 of these Common Shares are owned by Dr. Jivraj's spouse, however, Dr. Jivraj has control or direction over them.

Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the election of each of the nominees specified above as directors of the Corporation.

Cease Trade Orders

To the knowledge of the Corporation, no proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) 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.

Bankruptcy

To the knowledge of the Corporation, no proposed director of the Corporation is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of a company (including the Corporation) 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.

Personal Bankruptcy

To the knowledge of the Corporation, no proposed director of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanctions

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

IV. Appointment of Auditors

PricewaterhouseCoopers LLP ("**PwC**") have been the auditors of the Corporation since their appointment on October 28, 2015. At the Meeting, the Shareholders will be asked to reappoint PwC as auditors of the Corporation to serve until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of PwC as auditors of the Corporation at remuneration to be fixed by the Board.

V. Approval of Stock Option Plan

As with many small and developing companies, Western's stock option plan has functioned as a means of compensation for directors in lieu of cash retainers, to supplement performance awards to officers from time to time, and to provide an incentive to directors, officers, employees and consultants to achieve the longer-term objectives of Western. The stock option plan has not changed in any material way since inception in 2016. The Board has consistently viewed the current stock option plan as an effective cash-saving compensation program for the company during these relatively early years of operation. On May 26, 2022 the Board adopted a new stock option plan (the "**Plan**"), amending the previous stock option plan of the Corporation to comply with certain amendments made by the TSX Venture Exchange Inc. (the "**Exchange**") to its policies regarding security-based compensation. The material elements of the new stock option plan remain unchanged from the previous stock option plan. The changes address amendments to the Exchange's policies such as the possibility of cashless and net exercises, to account for alternative types of security-based compensation, and to explicitly include a blackout extension period. The Exchange requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan on an annual basis. Accordingly, at the Meeting, shareholders will be asked to vote on a resolution to approve, for the ensuing year, the Plan as described below.

The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation and to individuals employed by a company providing management services to the Corporation (collectively, "**Eligible Participants**"), non-transferable options ("**Options**") to purchase Common Shares. The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The aggregate number of Common Shares issuable pursuant to the Plan and any other Security Based Compensation Plans (as defined in the policies of the Exchange) of the Corporation may not exceed 10% of the issued and outstanding Common Shares as at the date of the grant of any Option. The period during which Options granted under the Plan are exercisable may not exceed ten years from the date such Options are granted. The number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to any one person may not exceed five percent (5%) of the issued and outstanding Common Shares. In addition, the number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Option is granted to the Consultant, and the number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to all Investor Relations Services Providers (as defined in the policies of the Exchange) in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

The maximum aggregate number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any insider, unless disinterested shareholder approval is obtained.

Pursuant to the Plan, the Board determines the price per Common Share and the number of Common Shares which may be allotted to each Eligible Participant and all other terms and conditions of the Options, subject to the rules of the Exchange. The price per Common Share set by the Board may not be less than the last closing price of the

Common Shares on the Exchange prior to the date on which such Options are granted, less the applicable discount permitted (if any) by the Exchange.

If a holder of Options ceases to be an Eligible Participant for any reason other than death, such holder may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable stock option agreement, after the holder's ceasing to be an Eligible Participant (or 30 days in the case of a holder engaged in Investor Relations Activities), or prior to the expiry date of the Options, whichever is earlier, exercise any Options held by the holder, but only to the extent that the holder was entitled to exercise the Options at the date of such cessation. In the event of the death of a holder of Options, the options previously granted to such holder will be exercisable within one (1) year following the date of the death of the holder or prior to the expiry date of the Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the Options at the date of such holder's death.

At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve the following resolution to approve the Plan.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The stock option plan (the "**Plan**") of The Western Investment Company of Canada Limited (the "**Corporation**") in the form of the Plan attached as Schedule "B" to the management information circular of the Corporation dated May 26, 2022, be and is hereby approved with such modifications as may be required by the TSX Venture Exchange;
2. The maximum number of common shares of the Corporation which may be issued under the Plan shall be equal to ten percent (10%) of the then issued and outstanding common shares of the Corporation from time to time; and
3. Any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the holders of Common Shares. If the Plan is not approved by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution to approve the Plan.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

For the purpose of this section, a "**CEO**" or "**CFO**" means each individual who acted as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity, for any part of the most recently completed financial year. A "**Named Executive Officer**" or "**NEO**" means (a) each CEO; (b) each CFO; (c) each of the three (3) most highly compensated executive officers of the Corporation, including any subsidiary, or the three (3) most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the

individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year end.

Compensation Objectives and Philosophy

The Corporation's executive compensation program is comprised of the following three (3) components: (i) base salary; (ii) short-term incentives; and (iii) long-term incentives. Together, these components support the Corporation's long-term growth strategy and objectives, including:

- (a) to align executive compensation with Shareholders' interests;
- (b) to attract and retain qualified executives; and
- (c) to motivate the short-term and long-term performance of these executives.

The Corporation's executive compensation is intended to be consistent with the Corporation's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors, the Corporation's performance and comparative compensation of executive officers of companies of similar size, activities and performance. The Corporation's executive compensation is intended to provide an appropriate overall compensation package that permits the Corporation to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Corporation. The Corporation's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Named Executive Officers are compensated for their progress in executing the Corporation's long-term growth strategy and for delivering strong total Shareholder return performance. Compensation for the Named Executive Officers is intended to reflect a fair evaluation of overall performance.

Components of Compensation

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each NEO's primary duties and responsibilities in fulfilling his or her role. It also provides a foundation upon which performance-based incentive compensation elements are addressed and established. The foregoing compensation philosophy, as well as the financial performance of the Corporation as a whole, is considered in any review of base salaries. The salary review for a NEO is based on an assessment of factors such as current market conditions and particular skills, including leadership ability and management effectiveness, experience, responsibility and proven or expected performance, and comparative compensation of executive officers of companies of similar size, activities and performance.

Short-Term Incentive Compensation - Bonuses

In addition to base salary, the Corporation may award executives with short term incentive awards in the form of an annual bonus. Annual bonuses are intended to provide short-term incentives to executives and to reward them for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance and profitability. A bonus amount is not pre-established and is at the discretion of the Board. While there is no target amount for annual bonus, the Board may review similar factors as those discussed above in relation to base salary.

In 2021, the Board awarded \$25,000 in bonuses to Scott Tannas, the CEO of Western, \$15,000 to Shafeen Mawani, the COO of Western, and \$10,000 to Stacey Cross, the CFO of Western. No other short-term incentives have been paid by the Corporation in 2021.

Long-Term Incentive Compensation - Options

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Stock options are granted to provide an incentive to the directors, executives, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation. The purpose of the Plan is to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Stock options are also used as a means to promote the long-term retention of individuals. The Corporation awards stock options to its executive officers based upon the recommendation of the Board, which recommendation is based upon the Board's review of proposals from the Chief Executive Officer. Previous grants of incentive stock options are taken into account when considering new grants. Implementation of a new incentive stock option plan and amendments to the existing Plan are the responsibility of the Board.

Please refer to "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*" above for a description of the material features of the Plan.

Compensation Policies and Risk Management

As part of its review of the Corporation's compensation policies and practices, the Compensation and Corporate Governance Committee considers the implications of risks associated with the Corporation's compensation policies and practices. The Compensation and Corporate Governance Committee keeps itself apprised of the current compensation policies of other investment companies and also draws upon the Compensation and Corporate Governance Committee members' backgrounds as executives of other issuers to help identify and mitigate compensation policies and practices that could encourage a Named Executive Officer or individual at a principal business unit or division to take inappropriate or excessive risks. As of the date hereof, the Compensation and Corporate Governance Committee is not aware of any material risks arising from the Corporation's current compensation policies or practices that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation does not currently have any policies in place that would prevent Named Executive Officers or directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that might be designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Named Executive Officers or directors.

Compensation Governance

Compensation and Corporate Governance Committee

The Corporation's executive compensation program is administered by the Board and the Corporation's Compensation and Corporate Governance Committee. Currently, and during the year ended December 31, 2021, the Compensation and Corporate Governance Committee was comprised of Dr. Jivraj Kabir (Chairman), James F. Dinning, Willard Yuill, and Jennie Moushos, all of whom are independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

All of the members of the Compensation and Corporate Governance Committee have direct experience that is relevant to their responsibilities regarding the executive compensation of the Corporation. The members have extensive managerial and executive experience dealing with employee performance and compensation. Each member has worked in excess of 25 years across various industries, and in a number of different roles. Each member has knowledge of relevant compensation practices and trends. Given their wealth of experience and the resources available to them, they are well positioned to make decisions with respect to the Corporation's compensation policies and practices.

Compensation and Corporate Governance Committee Charter

The Compensation and Corporate Governance Committee's mandate, as set out in its charter, includes, among other things: (a) establishing an overall compensation policy for the Corporation and monitoring its implementation, with special attention devoted to the senior officers of the Corporation, including the "Named Executive Officers" who are identified in the Summary Compensation Table below; (b) reviewing and making recommendations to the Board periodically regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans, executive stock option plans and grants and benefit plans (including the group life and health program); and (c) reviewing and approving periodically all compensation arrangements with the CEO and the CFO. The Compensation and Corporate Governance Committee meets at least once annually to fulfill its mandate.

In making compensation recommendations, the Compensation and Corporate Governance Committee considers each executive's performance and other relevant factors, including the scope of each executive's position and responsibilities, the achievement of corporate goals, the current business environment and anticipated changes, and executive retention and recruitment considerations. The Compensation and Corporate Governance Committee also relies upon comparisons to other TSXV-listed companies with similar market capitalization in making compensation decisions. Please refer to "*Compensation Discussion and Analysis*" above for a discussion of the Corporation's compensation program.

In fulfilling this mandate, the Compensation and Corporate Governance Committee:

- periodically reviews the assessment of the performance of senior officers as provided to the committee by the Chief Executive Officer;
- establishes an overall compensation policy for the Corporation and monitor its implementation, with special attention devoted to the executive group;
- reviews and makes recommendations to the Board regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans, executive stock option plans and grants and benefit plans (including the group life and health program); and
- reviews and approves all compensation arrangements with the senior executives of the Corporation.

Summary Compensation Table

The following table sets forth a summary of compensation paid to or earned by the NEOs during the financial years ended December 31, 2021, 2020 and 2019.

Name and Principal Position	Year Ended Dec. 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Scott Tannas ⁽²⁾ President and Chief Executive Officer	2021	162,500	Nil	10,740	Nil	Nil	Nil	25,000 ⁽³⁾	198,240
	2020	125,000	Nil	10,458	Nil	Nil	Nil	25,000 ⁽³⁾	160,458
	2019	112,500	Nil	10,664	Nil	Nil	Nil	50,000 ⁽³⁾	173,164
Stacey Cross Chief Financial Officer	2021	93,850	Nil	Nil	Nil	Nil	Nil	10,000 ⁽³⁾	103,850
	2020	97,300	Nil	Nil	Nil	Nil	Nil	10,000 ⁽³⁾	107,300
	2019	88,350	Nil	5,332	Nil	Nil	Nil	Nil	93,682
Shafeen Mawani Chief Operating Officer	2021	56,500	Nil	Nil	Nil	Nil	Nil	15,000 ⁽³⁾	71,500
	2020	75,000	Nil	Nil	Nil	Nil	Nil	15,000 ⁽³⁾	90,000
	2019	135,125	Nil	5,332	Nil	Nil	Nil	Nil	140,457

Notes:

- (1) Value is based on the grant date fair value of the stock options calculated using the Black-Scholes methodology based on the following key assumptions and estimates for 2021: a risk-free interest rate of 1.52% (2020 – 0.53%; 2019 – 1.09%); an expected annual dividend of \$nil (2020 - \$nil; 2019 - \$nil); an expected life of 10 years; and expected share price volatility of 57.4% (2020 – 57.4%; 2019 – 57.4%). This methodology was selected due to its acceptance as an appropriate evaluation model used for similar TSXV-listed companies and is consistent with the Corporation's financial reporting under Generally Accepted Accounting Principles ("GAAP").
- (2) Mr. Tannas was not compensated for his role as a director of the Corporation.
- (3) Represents bonuses paid during the financial year.

Incentive Plan Awards***Outstanding Share-based Awards and Option-Based Awards***

The following table sets forth the share-based and option-based awards granted to the Named Executive Officers that are outstanding at the end of the financial year ended December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or Payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Scott Tannas	270,000	0.50	February 24, 2026	Nil	N/A	N/A	N/A
	30,000	0.65	June 19, 2027	Nil			
	45,000	0.50	July 4, 2028	Nil			
	42,000	0.40	August 23, 2029	Nil			
	60,000	0.27	June 1, 2030	\$5,400			
	60,000	0.27	May 3, 2031	\$5,400			
Stacey Cross	25,000	0.50	July 4, 2028	Nil	N/A	N/A	N/A
	21,000	0.40	August 23, 2029	Nil			
Shafeen Mawani	25,000	0.50	July 4, 2028	Nil	N/A	N/A	N/A
	21,000	0.40	August 23, 2029	Nil			

Note:

(1) Calculated based on the difference between the respective exercise prices of the stock options and \$0.36, being the closing price of the Common Shares on December 31, 2021, the last day on which the Common Shares traded during the 2021 financial year.

Value Vested or Earned during the Year

The following table sets forth the value vested or earned, during the financial year ended December 31, 2021, of option-based awards, share-based awards and non-equity incentive plan compensation granted to Named Executive Officers.

Name	Option-based awards Value vested during the year ⁽¹⁾ (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Scott Tannas	Nil	Nil	Nil
Stacey Cross	Nil	Nil	Nil
Shafeen Mawani	Nil	Nil	Nil

Note:

(1) Calculated based upon the difference between the exercise price of the stock options and the market price of the Common Shares on the date such stock options vested.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits at, following, or in connection with retirement. The Corporation does not have a defined contribution plan or deferred compensation plans.

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a current Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

Directors Compensation

No cash compensation is paid to directors of the Corporation in their roles as directors. Stock options are granted to provide an incentive to the directors of the Corporation to achieve the longer-term objectives of the Corporation. The purpose of the Plan is to recognize the time and effort of such persons who contribute materially to the success of the Corporation. At this time, other than the issuance of stock options, no other compensation is paid to directors of the Corporation in their roles as directors.

Directors Compensation Table

The following table sets forth the value of all compensation provided to directors of the Corporation, not including the director who was also a Named Executive Officer, during the financial year ended December 31, 2021.

<u>Name⁽¹⁾</u>	<u>Fees earned (\$)</u>	<u>Share-based awards (\$)</u>	<u>Option-based awards⁽²⁾ (\$)</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>Pension value (\$)</u>	<u>All other Compensation (\$)</u>	<u>Total (\$)</u>
James F. Dinning	Nil	Nil	10,740	Nil	Nil	Nil	10,740
Willard Yuill	Nil	Nil	10,740	Nil	Nil	Nil	10,740
Dr. Kabir Jivraj	Nil	Nil	10,740	Nil	Nil	Nil	10,740
Jennie Moushos	Nil	Nil	10,740	Nil	Nil	Nil	10,740

Notes:

- (1) Information regarding the compensation received by Scott Tannas, who was a director and Named Executive Officer of the Corporation during the financial year ended December 31, 2021, may be found under the heading "*Summary Compensation Table*".
- (2) Value is based on the grant date fair value of the stock options calculated using the Black-Scholes methodology based on the following key assumptions and estimates for 2021: a risk-free interest rate of 1.52%; an expected annual dividend of \$nil; an expected life of 10 years; and expected share price volatility of 57.4%. This methodology was selected due to its acceptance as an appropriate evaluation model used for similar TSXV-listed companies and is consistent with the Corporation's financial reporting under GAAP.

Directors' and Officers' Liability Insurance

The Corporation provides, at its expense, insurance for the directors and officers as well as the directors and officers of the Corporation's affiliates and subsidiaries. The insurance is for liability incurred by any of them in their capacity as a director or officer of the Corporation. This insurance policy provides coverage of up to \$5,000,000 for the directors and officers of the Corporation in aggregate. Each loss or claim is subject to a \$15,000 retention pursuant to the specific type of claim. The by-laws of the Corporation and indemnification agreements also provide indemnification of the directors and officers, subject to certain limitations. The most recent annual premium for the directors' and officers' liability policy was \$24,950.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the share-based and option-based awards granted to directors of the Corporation, not including the director who was also a Named Executive Officer, that were outstanding as at the end of the financial year ended December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or Payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
James F. Dinning	180,000	0.50	February 24, 2026	Nil	N/A	N/A	N/A
	30,000	0.65	June 19, 2027	Nil			
	45,000	0.50	July 4, 2028	Nil			
	42,000	0.40	August 23, 2029	Nil			
	60,000	0.27	June 1, 3030	\$5,400			
	60,000	0.27	May 3, 2031	\$5,400			
Willard Yuill	170,000	0.50	February 24, 2026	Nil	N/A	N/A	N/A
	30,000	0.65	June 19, 2027	Nil			
	45,000	0.50	July 4, 2028	Nil			
	42,000	0.40	August 23, 2029	Nil			
	60,000	0.24	June 1, 3030	\$5,400			
	60,000	0.27	May 3, 2031	\$5,400			
Dr. Kabir Jivraj	140,000	0.56	April 6, 2026	Nil	N/A	N/A	N/A
	30,000	0.65	April 21, 2027	Nil			
	30,000	0.65	June 19, 2027	Nil			
	45,000	0.50	July 4, 2028	Nil			
	42,000	0.40	August 23, 2029	Nil			
	60,000	0.27	June 1, 2030	\$5,400			
Jennie Moushos	60,000	0.27	May 3, 2031	\$5,400			
	45,000	0.50	July 4, 2028	Nil	N/A	N/A	N/A
	42,000	0.40	August 23, 2029	Nil			
	60,000	0.27	June 1, 2030	\$5,400			
	60,000	0.27	May 3, 2031	\$5,400			

Note:

(1) Calculated based on the difference between the respective exercise prices of the stock options and \$0.36, being the closing price of the Common Shares on December 31, 2021, the last day on which the Common Shares traded during the 2021 financial year.

Value Vested or Earned during the Year

The following table sets forth the value vested or earned, during the financial year ended December 31, 2021, of option-based awards, share-based awards and non-equity incentive plan compensation granted to directors of the Corporation, not including the director who was also a Named Executive Officer.

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
James F. Dinning	Nil	Nil	Nil
Willard Yuill	Nil	Nil	Nil
Dr. Kabir Jivraj	Nil	Nil	Nil
Jennie Moushos	Nil	Nil	Nil

Note:

(1) Calculated based upon the difference between the exercise price of the stock options and the market price of the Common Shares on the date such stock options vested.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information pertaining to the Corporation's equity compensation plan as at December 31, 2021:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (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)) (c)
Equity compensation plans approved by securityholders	2,444,000	0.43	589,876 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,444,000		589,876

Note:

- (1) The number of authorized but unissued Common Shares that may be issued upon exercise of Options granted under the Plan at any time may not exceed 10% of the issued and outstanding Common Shares from time to time. Based on 30,338,756 Common Shares issued and outstanding as at December 31, 2021, the Corporation would have been able issue a maximum of 3,033,876 Options pursuant to the Stock Option Plan.

Please refer to "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*" above for a description of the material features of the Plan.

MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and executive officers of the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

There is no indebtedness outstanding of any current or former director, executive officer or employee of the Corporation or any of its subsidiaries which is owing to the Corporation or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, and no proposed nominee for election as a director of the Corporation, or any associate of any such director, executive officer or proposed nominee: (a) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the Corporation's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any

matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and officers have received options and may receive additional options pursuant to the Plan.

AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out in the Corporation's audit committee mandate.

Audit Committee Charter

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Audit Committee consists of Jennie Moushos (Chairman), James F. Dinning, Willard Yuill, and Dr. Kabir Jivraj, all of whom are financially literate within the meaning of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") and are considered to be independent within the meaning of NI 52-110.

Relevant Education and Experience of Audit Committee Members

Jennie Moushos - Ms. Moushos has spent the last 25 years of her career in the financial and insurance sectors, currently serving as Executive Vice President of Finance and Business Development for the conservation associations Ocean Wise. Jennie held the Senior Vice President, Western Division for Intact Insurance Company from 2011 to 2018. Prior to 2011 she held roles at AXA Pacific Insurance Company including Executive Vice President, and at the Office of the Superintendent of Financial Institutions, Canada as Senior Examiner. Ms. Moushos is a Director at Optimum General Insurance, Insurance Corporation of British Columbia, Bridges to Community Canada and past director of SOS Children's Villages Canada. Ms. Moushos is a Fellow of the Chartered Professional Accountants.

James F. Dinning - In addition to chairing the Board of Western, Mr. Dinning is chair (and member of the audit committees) of Russel Metals Inc. and Heritage Royalty. He was Chair of the board of Western Financial Group Inc., a company engaged in insurance and investment from 2005 to 2017 when the company was sold to Wawanesa. He is past chair of Liquor Stores NA Ltd., and previously served as a director of Parkland Fuel Corp, Finning International Inc., and Shaw Communications. Prior to 1997, Mr. Dinning held several key positions during his 11 years as a member of the Legislative Assembly in Alberta, including Provincial Treasurer from 1992 to 1997. In 2015, Mr. Dinning became a Member of the Order of Canada and was installed as a Fellow of the Institute of Corporate Directors. He is Chancellor Emeritus of the University of Calgary following his four-year tenure as Chancellor.

Willard Yuill - Willard Yuill is the Chairman and Chief Executive Officer of The Monarch Corporation, a Canadian private equity corporation. He is a former Director of Shaw Communications Inc. and former Chairman of their Human Resources and Compensation Committee. Mr. Yuill is also Chairman and Chief Executive Officer of CSH International Inc., a United States private equity company. Mr. Yuill is on the Board of Governor of St. Andrew's College. He is a former Director of Western Financial Group, the Alberta Economic Development Authority, the Medicine Hat Exhibition and Stampede Ltd. and a past Chair of the Alberta chapter of the World Presidents Organization. Mr. Yuill received an Honorary Doctor of Laws from the University of Lethbridge in 2006. He received the Alberta Order of Excellence in 2016 from the Province of Alberta and in 2017 he was

inducted into the Calgary Business Hall of Fame and received an Honorary Applied Degree from the Medicine Hat College.

Kabir Jivraj - Dr. Jivraj is the managing Director for the AgeCare group of Companies and is a Director for four other private companies. He has held a variety of senior management roles across a diverse group of industry sectors including healthcare, real-estate, hospitality, technology, education and senior housing and care management. Dr. Jivraj has served as Senior Vice-President and Chief Medical officer at Alberta Health Services from 1999 to 2002, and has served as the Vice Dean of the University of Calgary, Faculty of Medicine from 2000 to 2002. Dr. Jivraj is a graduate of the Directors Education Program at ICD Corporate Governance College, and holds a bachelor of medical and surgery degree from the University of London, UK.

Audit Committee Oversight

At no time since the commencement of the Corporation's fiscal year ended December 31, 2021 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), in subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemption*).

Western is classified as a "venture issuer" within the meaning of applicable securities laws and, accordingly, is relying upon the exemption contained in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter under the heading "*Approval of Audit and Remitted Non-Audit Services Provided by External Auditors*".

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by PwC for the fiscal years ended December 31, 2021 and 2020:

	2021	2020
	\$	\$
Audit Fees ⁽¹⁾	51,500	48,500
Audit-Related Fees ⁽²⁾	15,000	13,500
Tax Fees ⁽³⁾	--	--
All other Fees ⁽⁴⁾	33,000	30,000
Total⁽⁵⁾	99,500	92,000

Notes:

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees were for services related to performance of limited procedures performed by the Corporation's auditors related to the review of interim financial statements.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf.

CORPORATE GOVERNANCE DISCLOSURE

Board Mandate

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. To achieve this goal, the Corporation has adopted a Board of Directors Charter, a Compensation and Corporate Governance Committee Charter, a Code of Conduct, a Policy Regarding Disclosure, an Insider Trading Policy, a Whistleblower Policy, Financial Commitment & Expense Approval Policy, Expense Reimbursement Policy and Cash Management Policy.

The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board

The Board is currently comprised of five (5) members. The current non-independent member of the Board is Scott Tannas. Mr. Tannas has been determined not to be independent under NI 58-101 as a result of being President and Chief Executive Officer of the Corporation. The current independent members of the Board are Messrs. Dinning, Yuill, and Jivraj and Ms. Moushos.

An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the

exercise of a director's independent judgement. As disclosed above, the Board is comprised of a majority of independent directors. The independent judgement of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through informal discussions among members of the Board and management. In addition, the Board have free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Directorships

Other than as set forth below, none of the directors hold directorships in other reporting issuers (or the equivalent) in jurisdictions in Canada or a foreign jurisdiction.

<u>Director</u>	<u>Other Reporting Issuers</u>
Scott Tannas	Rocky Mountain Dealerships Inc.
James F. Dinning	Russel Metals Inc.

Orientation and Continuing Education of Board Members

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as policies, recent financial statements, prospectuses, proxy solicitation materials, marketing and business plans and various other operating, financial and budget reports) will be provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations. The Corporation will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Board meetings are combined where necessary with presentations by the Corporation's management to give the Board additional insight into the Corporation's business. In addition, management of the Corporation makes itself available throughout the year for discussion with all Board members.

Measures to Encourage Ethical Business Conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Corporation has adopted a code of conduct (the "**Code of Conduct**") which addresses the Corporation's continuing commitment to integrity and ethical behaviour. The Code of Conduct establishes procedures that allow directors, officers and employees of the Corporation to confidentially submit their concerns to the Chairman of the Audit Committee regarding questionable ethical, moral, accounting or auditing matters, without fear of retaliation. A copy of the Code of Conduct is available to review at the head office of the Corporation during regular business hours. Compliance with the Code of Conduct is monitored primarily through the reporting process within the Corporation's organizational structure. A whistleblower program is in place for employees to report violations of ethical conduct. To date, no issues have been reported through the Corporation's whistleblower program.

Nomination of Board Members

The Board determines new nominees to the Board, although a formal process has not been adopted. The identification of nominees is generally the result of recruitment efforts by existing members of the Board, including both formal and informal discussions among directors and the CEO. The Board does not have a nominating committee composed entirely of independent directors, but instead the entire Board, of which the majority are independent directors, takes responsibility for nominating new directors and assessing current

directors to ensure an objective nomination process. Proposed directors' credentials are reviewed with one or more members of the Board prior to the proposed director's nomination.

Determination of Compensation of Directors and Officers

The current members of the Compensation and Corporate Governance Committee are Dr. Kabir Jivraj (Chairman), James F. Dinning, Willard Yuill, and Jennie Moushos.

The responsibilities of the Compensation and Corporate Governance Committee in respect of compensation matters include reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. The responsibilities of the Compensation and Corporate Governance Committee in respect of corporate governance matters include addressing all governance issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation as being emerging progressive issues of corporate governance.

The Compensation and Corporate Governance Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

Please refer to the "*Compensation Governance*" section for a discussion of the Corporation's compensation governance.

Other Board Committees

The Corporation has no standing committees at this time, other than the Audit Committee and Compensation and Corporate Governance Committee discussed above.

Assessment of Directors, the Board and Board Committees

The Board have not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board consider a formal assessment process to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2021, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

LEGAL PROCEEDINGS

The directors and senior officers of the Corporation are not aware of any material litigation outstanding, threatened or pending, as of the date hereof by or against the Corporation.

NORMAL COURSE ISSUER BID

On May 23, 2017, Western announced that it obtained regulatory approval to proceed with a normal course issuer bid whereby Western may purchase up to a total of 1,500,000 Common Shares representing approximately 4.9% of the then outstanding Common Shares, through the facilities of the Exchange at the market price of the Common Shares at the time of the acquisition. During the year ended December 31, 2017, a total of 240,500 Common Shares were purchased by Western through the normal course issuer bid for an aggregate price of \$140,879, at prices ranging from \$0.46 to \$0.64 per share. 14,000 Common Shares were purchased pursuant to the normal course issuer bid in 2018, 123,000 Common Shares in 2019, 129,000 Common Shares in 2020, and 129,000 Common Shares in 2021.

From May 23, 2017, the date of inception of the first normal course issuer bid, to December 31, 2021, a total of 635,500 Common Shares were purchased by Western through the normal course issuer bid for an aggregate price of \$224,599, at prices ranging from \$0.20 to \$0.64 per share.

On February 4, 2022, Western announced that it obtained regulatory approval to proceed with another normal course issuer bid whereby Western may purchase up to a total of 1,500,000 Common Shares representing approximately 4.9% of the then outstanding Common Shares, through the facilities of the Exchange, at the market price of the Common Shares at the time of the acquisition. From February 10, 2020, the date of inception of this normal course issuer bid, to the date hereof, a total of 20,000 Common Shares were purchased by Western through the normal course issuer bid for an aggregate price of \$3,925, at prices ranging from \$0.37 to \$0.41 per share.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Securityholders of the Corporation may contact the Corporation at scross@winv.ca to request copies of the Corporation's financial statements and management's discussion and analysis.

GENERAL

Each matter referred to herein for approval by the Shareholders requires a majority of the votes cast by Shareholders, in person or by proxy, in respect of such matter at the Meeting.

The Board has approved the contents of this Information Circular and the sending of the Information Circular to the Shareholders.

Unless otherwise stated, the information contained herein is given as of May 26, 2022.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Effective February 22, 2016

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

1.1 Assist the Board of Directors in its oversight role with respect to:

- (a) the quality and integrity of financial information;
- (b) the independent auditor's performance, qualifications and independence;
- (c) the performance of the Corporation's internal audit function, if applicable;
- (d) the Corporation's compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

Otherwise as permitted or required by applicable law, the Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers, employees or control persons of the Corporation or any of the Corporation's affiliates or associates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation; and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit;
 - the annual audited financial statements;
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis;
 - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation;
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards;
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements;

- any significant changes in the Corporation's selection or application of accounting principles;
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies; and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
-
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

SCHEDULE "B"**THE WESTERN INVESTMENT COMPANY OF CANADA LIMITED
STOCK OPTION PLAN****1. Purpose**

The purpose of this Plan is to provide an incentive to the directors, officers, Employees, Consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **"Board of Directors"** means the board of directors of the Corporation;
- (b) **"Cashless Exercise"** has the meaning ascribed thereto in Exchange Policies;
- (c) **"Common Shares"** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (d) **"Corporation"** means The Western Investment Company of Canada Limited and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (e) **"Discounted Market Price"** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (f) **"Exchange"** means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (g) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (h) **"Insider"** has the meaning ascribed thereto in Exchange Policies;
- (i) **"Net Exercise"** has the meaning ascribed thereto in Exchange Policies;
- (j) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

- (k) "**Option Period**" means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (l) "**Optionee**" means a person who is a director, officer, Employee, Consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (m) "**Plan**" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in this Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Employee", "Insider", "Investor Relations Activities", "Investor Relations Service Provider", "Management Company Employee", "Participant", "Person", "Security Based Compensation" and "Security Based Compensation Plan".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. **Administration**

This Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of this Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of this Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in this Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of this Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. **Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to this Plan and grant an Option to such Optionee. Subject to the Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by the Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation and any Optionee shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionee.

5. **Participation**

Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to this Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, Employee or Consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a Consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time Employee of or a Consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Common Shares Subject to Options

The number of Common Shares reserved for issuance to any one person pursuant to Options granted under this Plan and any other Security Based Compensation Plan of the Corporation shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares issuable pursuant to all Security Based Compensation Plans of the Corporation must not exceed 10% of the issued and outstanding Common Shares as at the date of the grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans, including the grant of Options under this Plan;
- (b) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any person (and where permitted under the Exchange Policies, any Companies that are wholly owned by that Person) must not exceed 5% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person, unless disinterested shareholder approval is obtained;
- (c) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained;
- (d) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider, unless disinterested shareholder approval is obtained;
- (e) the maximum aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Consultant; and
- (f) the maximum aggregate number of Common Shares that are issuable pursuant to all Options granted in any 12-month period to all Investor Relations Service Providers in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of this Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under this Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, including with respect to the vesting of Options granted to any Investor Relations Service Provider, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised. Additionally, subject to Exchange Policies, the Optionee may be eligible to exercise such Options through the Cashless Exercise or Net Exercise provisions; in such event, the Optionee shall complete the notice of cashless settlement form (as provided by the Corporation) and return the executed form to the Corporation.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933

Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time.

As a condition to the exercise of an Option, the Corporation may require, among other things, that the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Blackout Extension Period

If an Option is to expire during a period when the Optionee is prohibited by the Corporation from exercising such Option or from trading in Common Shares of the Corporation pursuant to its applicable policies in respect of insider trading (a "**Blackout Period**"), the expiration date of such Option shall be extended for a period of ten (10) business days immediately following the end of the Blackout Period. This Section applies to all Options outstanding under this Plan.

11. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be an eligible Participant under this Plan for any reason other than death, the Optionee may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable Stock Option Agreement at the time of the grant, following the Optionee's ceasing to be an eligible Participant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an Employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an Employee for the purposes of this Plan.

12. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

13. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under this Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of this Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

14. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation; or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

15. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, subject to the prior acceptance of the Exchange, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this Section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common

Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

16. Costs

The Corporation shall pay all costs of administering this Plan.

17. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) This Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

18. Withholding Tax

Upon exercise of an Option, the Optionee will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Common Shares, pay to the Corporation amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Corporation for such requirements. In order to implement this provision, the Corporation or any related corporation will have the right to retain and withhold from any payment of cash or Common Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such exercise. At its discretion, the Corporation may require an Optionee receiving Common Shares upon the exercise of an Option to reimburse the Corporation for any such taxes required to be withheld by the Corporation and withhold any distribution to the Optionee in whole or in part until the Corporation is so reimbursed. In lieu thereof, the Corporation will have the right to withhold from any cash amount due or to become due from the Corporation to the Optionee an amount equal to such taxes. The Corporation may also retain and withhold or the Optionee may elect, subject to approval by the Corporation at its sole discretion, to have the Corporation retain and withhold a number of Common Shares having a market value not less than the amount of such taxes required to be withheld by the Corporation to reimburse the Corporation for any such taxes and cancel (in whole or in part) any such Common Shares issuable upon exercise of an Option so withheld.

19. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

20. Prior Plans

On the effective date (as set out in Section 21 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) this Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to this Plan.

21. Effective Date

This Plan shall become effective as of and from, and the effective date of this Plan shall be May 26, 2022, upon receipt of all necessary shareholder and regulatory approvals.

22. Legends on Hold Periods

If required by the Exchange policies or applicable securities laws, the Common Shares issued on exercise of the Options will be legended.