



**NOTICE OF ANNUAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
OF  
CARBEEZA INC.**

*To be held at 11:00 a.m. (Mountain Time) on Thursday, November 9, 2023*

*To Be Held At*

*McLeod Law LLP  
500-707 5<sup>th</sup> Street SW,  
Calgary, Alberta T2P 1V8*

October 5, 2023

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF CARBEEZA INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF CARBEEZA CORPORATION TO BE HELD ON NOVEMBER 9, 2023.



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Carbeeza Inc. (the "**Corporation**") will be held at the offices of McLeod Law LLP, 500-707-5<sup>th</sup> Street SW, Calgary, Alberta, T2P 1V8 at 11:00 a.m. (Mountain Standard Time), on November 9, 2023 for the following purposes:

1. to receive the audited financial statements of the Corporation, together with the auditor's report thereon, for the fiscal year ended December 31, 2022;
2. to fix the board of directors of the Corporation (the "**Board**") to be elected at the Meeting at six (6) members and to elect the Board of the Corporation for the ensuing year;
3. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the reappointment of MNP LLP, Chartered Accountants, as the Corporation's auditor for the ensuing year and to authorize the Board to fix the auditor's remuneration;
4. to consider and if thought fit, approve, with or without variation, an ordinary resolution to approve amendments to the Corporation's bylaws (the "**Amended Bylaws**") as more particularly set forth in the accompanying Information Circular;
5. to consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying Information Circular, relating to the adoption of the stock option plan of the Corporation (the "**Equity Incentive Plan**");
6. to consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution of disinterested shareholders, to approve the related party transaction (the "**Related Party Transaction**") as more particularly set forth in the accompanying Information Circular; and
7. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The directors of the Corporation have fixed September 29, 2023 (the "**Record Date**") as the record date for the determination of Shareholders entitled to receive notice of the Meeting

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access provisions are a relatively new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Corporation to post the Information Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a paper copy of the Information Circular. The Corporation will not use the procedure known as 'stratification' in relation to the use of Notice-

and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

Please review the Information Circular carefully and in full prior to voting as the Information Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Information Circular is available on the Corporation's website at:

[www.carbeeza.com](http://www.carbeeza.com)

and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Any shareholder who wishes to receive a paper copy of this Circular should contact the Corporation at 1-855-216-8802, or by facsimile to 780-444-6355 or by email to [investorrelations@carbeeza.com](mailto:investorrelations@carbeeza.com). Shareholders may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

Shareholders as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their Common Shares after the Record Date. The transferee of those Common Shares must produce properly endorsed share certificates or otherwise establish that he or she owns the Common Shares and request, not later than 10 days before the date of the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, in which case such transferee will be entitled to vote those Common Shares at the Meeting

DATED at Calgary, Alberta, this 5<sup>th</sup> day of September, 2023.

**BY ORDER OF THE BOARD OF CARBEEZA  
INC.**

*"Sandro Antoni Torrieri"*

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**Sandro Antoni Torrieri  
Chief Executive Officer**

**A registered Shareholder may attend the Meeting in person or may be represented by proxy. All Shareholders are encouraged to vote in advance of the meeting by mail, in the manner set out in the meeting materials that have been sent to Shareholders.** To be effective, the enclosed proxy must be mailed so as to reach or be deposited with, Olympia Trust Company ("**Olympia**"), located at Suite 4500, 520 - 3<sup>rd</sup> Ave. SW, Calgary, Alberta T2P 0R3, Attention: Proxy Department, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy (the "**Management Designees**") are members of the Corporation's board or management. **Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for him or her and on his or her behalf at the Meeting.** To exercise such right, the names of the Management Designees should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

**The instrument appointing the proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.**

**In order to ensure that a paper copy of the Circular can be delivered to a requesting Beneficial Shareholder or Registered Shareholder in time for such shareholder to review the Circular and return a voting instruction form or proxy prior to the Proxy Deadline, it is strongly suggested that a shareholder ensure their request is received no later than October 25, 2023.**

Live audio of the meeting will be available by conference call by dialing 1 437-703-4640 and using the participant code 390659197# to listen to the meeting via conference call.



## MANAGEMENT INFORMATION CIRCULAR

*(As at October 5, 2023, except as indicated)*

### FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 9, 2023

#### GENERAL PROXY INFORMATION

This management information circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management ("**Management**") of Carbeeza Inc. (the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of the Corporation to be held at the offices of McLeod Law LLP, 500-707-5<sup>th</sup> Street SW, Calgary, Alberta, T2P 1V8 at 11:00 a.m. (Mountain Standard Time), on November 9, 2023, or at any adjournment for the purposes set out in the accompanying notice of meeting (the "**Notice**").

The solicitation of proxies will be conducted primarily by mail, subject to the use of "Notice and Access Provisions" (as described below) in relation to the delivery of the Circular and the cost of the solicitation will be borne by the Corporation. **The Corporation may retain other persons, entities or companies to solicit proxies on its behalf which may be by phone, email, fax or in person.**

#### PROXIES AND VOTING INFORMATION

##### Management Solicitation

The solicitation of proxies by Management will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, officers and employees of the Corporation. The Corporation does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute a proxy, except that the Corporation has requested brokers and nominees who hold shares in their respective names to furnish this Circular and related proxy materials to their customers. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of the solicitation will be borne by the Corporation.

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

### **Voting by Proxy Before the Meeting**

The person indicated in the accompanying proxy shall vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. **In the absence of such direction, the Management Designees named in the accompanying proxy will vote such shares in favour of the matters on which the Shareholder is entitled to vote as specified in the Notice, and more specifically in favour of:**

- 1. the election of the persons proposed to be nominated by management as directors;**
- 2. the appointment of MNP LLP, as auditors of the Corporation;**
- 3. the approval of the Corporations amended Bylaws;**
- 4. the approval of the Corporation's Equity Incentive Plan; and**
- 5. the approval of the Related Party Transaction.**

**all as more specifically described in this Circular.**

**THE ENCLOSED FORM OF PROXY, WHEN PROPERLY COMPLETED AND SIGNED CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON INDICATED IN THE PROXY WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.** At the time of printing of the Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting. If you submit a proxy, you must complete, date and sign the proxy, and return it to the Corporation's registrar and transfer agent, Olympia Trust Company ("**Olympia**"), located at Suite 4500, 520 - 3<sup>rd</sup> Ave. SW, Calgary, Alberta T2P 0R3, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Alberta) prior to the scheduled time of the Meeting, or any adjournment(s) or postponement(s) thereof. The persons named in the accompanying form of proxy are directors and/or officers of the Corporation. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and any adjournment(s) or postponement(s) thereof.**

The following voting options are available for registered Shareholders:

<b>By Mail:</b>	Olympia Trust Company PO Box 128, STN M, Calgary, AB T2P 2H6 Attention: Proxy Department
<b>Hand Delivery:</b>	Olympia Trust Company 4000, 520 - 3 <sup>rd</sup> Ave. SW, Calgary, Alberta T2P 0R3 Attention: Proxy Department
<b>By Facsimile:</b>	(403) 668-8307
<b>By Internet:</b>	<a href="https://css.olympiatrust.com/pxlogin">https://css.olympiatrust.com/pxlogin</a>

Registered Shareholders will need to provide the 12-digit control number located on the proxy accompanying this Circular.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the proxy form.

#### **NOTICE AND ACCESS**

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the "**Notice-and-Access Provisions**") can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the reporting issuer. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Corporation must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer's expense. This Circular has been posted in full on the Corporation's website at:

[www.carbeeza.com](http://www.carbeeza.com)

and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Corporation shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Circular, and explain the Notice-and-Access process. The Notice of Meeting containing this information has been delivered to Shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of non-registered Shareholders).

The Corporation will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting. In relation to the Meeting, all Shareholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Shareholder will receive a paper copy of this Circular from the Corporation or any intermediary unless such Shareholder specifically requests same.

The Corporation will be delivering proxy-related materials to NOBOs indirectly through the use of intermediaries. The Corporation intends to pay for delivery of materials to OBOs. As a result OBOs will also receive the materials indirectly through the use of intermediaries.

Any shareholder who wishes to receive a paper copy of this Circular should contact the Corporation at 1-855-216-8802, or by facsimile to 780-444-6355 or by email to [investorrelations@carbeeza.com](mailto:investorrelations@carbeeza.com). In order to ensure that a paper copy of this Circular can be delivered to a requesting shareholder in time for such shareholder to review this Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that a shareholder ensure their request is received no later than October 25, 2023. All shareholders may call 1-855-216-8802 (toll-free) in order to obtain additional information about the Notice-and-Access Provisions or to obtain a paper copy of this Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

### **Non-Registered Shareholders**

Only registered Shareholders or duly appointed proxyholders are entitled to vote at the Meeting. A substantial number of Shareholders are non-registered Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency, such as The Canadian Depository for Securities Limited, of which the Intermediary is a participant.

Intermediaries are required to forward the Notice of Meeting, this Circular and form of proxy (collectively, the "**Meeting Materials**") to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) Be given a proxy which has already been signed by an Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and return it in accordance with the instructions provided in the proxy; or



- (b) More typically, be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**" or "**VIF**"), which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the persons named in the Proxy or VIF and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the cases of a VIF, follow the corresponding instructions on the form. In addition, such Non-Registered Shareholders should register such proxyholder to allow such proxyholder to attend and participate in the Meeting.

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

These Meeting Materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Corporation intends to pay for Intermediaries to forward the Meeting Materials to OBOs.

### **Revocation of Proxy**

If you are a registered Shareholder, you may change a vote you made by proxy by voting again by any of the means, and by the deadlines, described in the section above entitled "*Voting by proxy before the Meeting*". Your new instructions will revoke your earlier instructions.

If you are a registered Shareholder and you voted by proxy, you can revoke your voting instructions at any time up to and including the last business day preceding the day of the Meeting or any adjournment by (i) sending a notice in writing (from you or a person authorized to sign on your behalf) to Olympia Trust Company, Suite 4500, 520 - 3<sup>rd</sup> Avenue SW, Calgary, Alberta T2P 0R3; or (ii) any other manner permitted by law.

If you intend on attending and voting at the Meeting, voting at the Meeting will revoke your previous proxy.

If you are a Non-Registered Shareholder, contact your Intermediary to find out how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting.

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

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

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

The Corporation is authorized to issue an unlimited number of Common Shares without par value, of which 71,143,124 Common Shares were issued and outstanding as of the close of business on September 29, 2023 (the "**Record Date**"). Each Common Share entitles the Shareholder of record to one vote at the Meeting.

The by-laws of the Corporation provide that a quorum for the transaction of business at any meeting of shareholders shall be two (2) or more shareholders present in person or represented by a duly appointed proxy at the meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment(s) or postponement(s) thereof.

To the knowledge of the board of directors (the "**Board**") and executive officers of the Corporation, as at the Record Date, no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the issued and outstanding Common Shares, except as detailed below.

<b>Name</b>	<b>Number of Common Shares beneficially owned, controlled or directed, directly or indirectly</b>	<b>Percentage of Outstanding Common Shares</b>
Sandro Antoni Torrieri	15,537,830	21.8%
Devin Vandenberg	10,537,830	14.81%
David Feraco	11,787,830	16.57%
Nicolas Samaha	7,415,510	10.42%

### **RECOMMENDATION OF THE BOARD**

The Board unanimously recommends that each holder of Common Shares vote FOR all resolutions described in this Circular.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Financial Statements

The Board has approved the audited financial statements of the Corporation for the fiscal year ended December 31, 2022, together with the auditor's report thereon. Copies of these financial statements will be mailed to those registered and beneficial Shareholders of the Corporation who requested them and are also available on the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

### 2. Fixing Number of Directors

The Board currently consists of six (6) directors. The term of office for each of the present directors of the Corporation expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at six (6) directors. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution to fix the number of directors of the Corporation at six (6). **In the absence of contrary instructions, the persons named in the enclosed form of proxy will vote FOR fixing the number of directors to be elected at six (6).**

### 3. Election of Directors

At the Meeting, Management proposes to nominate the six (6) persons named below for election as directors of the Corporation.

The term of office of each of the present directors, being Sandro Antoni Torrieri, Evan Baptie, Niel Hiscox, Maria Nathanail, Ron Hozjan and Ibrahim Gedeon, will expire at the Meeting.

Management does not contemplate that any of these nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion. Each director elected will hold office until the next annual meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Corporation or the *Business Corporations Act* (Alberta) ("**ABCA**").

The following table sets forth information concerning the six (6) Management nominees, as furnished by the individual nominees, as at the Record Date.

<b>Name, Jurisdiction of Residence and Position with the Corporation</b>	<b>Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years</b>	<b>Served as a Director Continuously Since</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Discretion is Exercised<sup>(1)</sup></b>
Sandro Antoni Torrieri <sup>(2)(3)</sup>	Prior to founding Carbeeza, Mr. Torrieri was founder and	June 29, 2021	15,537,830

<b>Name, Jurisdiction of Residence and Position with the Corporation</b>	<b>Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years</b>	<b>Served as a Director Continuously Since</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Discretion is Exercised<sup>(1)</sup></b>
<i>Director, Chief Executive Officer</i> Alberta, Canada	President of Interdynamix Systems Partnership (1995)		
Evan Baptie <sup>(3)(4)</sup> <i>Director</i> Alberta, Canada	Senior Financial Analyst & Senior Investment Analyst, TELUS Corporation since 2015.	June 29, 2021	75,000
Niel Hiscox <sup>(2)(3)(4)</sup> <i>Director</i> Ontario, Canada	President, Universus Media Group Inc. since 2010.	June 29, 2021	312,500
Ron Hozjan <sup>(3)(4)</sup> <i>Director</i> Alberta, Canada	Vice President, Finance and Chief Financial Officer of Aureus Energy Services Inc. since January 2020. Prior to that, Vice President, Finance and Chief Financial Officer of Tamarack Valley Energy Ltd. from June 2010 until January 2020.	June 29, 2021	Nil
Maria Nathanail <sup>(2)</sup> <i>Director</i> Alberta, Canada	Partner at McLeod Law since August of 2017.	June 29, 2021	25,000
Ibrahim Gedeon <sup>(3)</sup> <i>Director</i> Alberta, Canada	Chief Technology Officer for TELUS since 2003.	June 14, 2022	Nil

**Notes:**

- (1) Percentages are based on 71,143,124 Common Shares issued and outstanding as of the Record Date.
- (2) Member of the Corporate Governance and Compensation Committee. Maria Nathanail is the Chair.
- (3) Member of the Audit Committee. Ron Hozjan is the Chair.

**Advance Notice Provisions**

The By-laws of the Corporation include advance notice provisions (the "**Advance Notice Provisions**"), which include, among other things, a provision that requires that advance notice be given to the Corporation in circumstances where nomination of persons for election to the Board are made by Shareholders. The Advance Notice Provisions set a deadline and the proper written form by which Shareholders must submit nominations (a "**Notice**") for the election of directors to the principal office of the Corporation prior to any annual or special meeting of Shareholders. In the case of an annual meeting of Shareholders, the Notice to the Corporation must be made not less than thirty (30) days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of

Shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating Shareholder may be given not later than the close of business on the tenth (10th) day following the Notice Date. In the case of a special meeting of the Shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

### **Corporate Cease Trade Orders**

To the knowledge of the Corporation, other than as outlined below, no proposed director of the Corporation is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Hozjan was appointed as a director of Target Capital Inc. ("**Target**") on September 16, 2020. On September 15, 2020, the Alberta Securities Commission, as principal regulator, issued a management cease trade order against Target's CEO and CFO for failure to file the required period disclosure, being annual filings for the financial year ended March 31, 2020. On November 5, 2020, due to the continued delay in respect of such filings, the Alberta Securities Commission issued a cease trade order against Target, replacing the management cease trade order. On April 16, 2021, Target's CEO and CFO resigned and were replaced with new interim officers and a refreshed board of directors, which includes Mr. Hozjan, appointed to restore public reporting. On April 18, 2023, Target filed the outstanding period disclosure and submitted an application to the Alberta Securities Commission to revoke the cease trade order. As of the date hereof, the cease trade order remains in effect pending the Alberta Securities Commission's review of the filings.

### **Bankruptcy and Insolvency**

Other than as set out herein, to the knowledge of the Corporation, no proposed director of the Corporation:

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

with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties and Sanctions**

To the knowledge of the Corporation, no proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Holders of Common Shares can vote for all of the proposed nominees for directors of the Corporation, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. **Unless a Shareholder directs that his, her or its Common Shares be otherwise voted or withheld from voting in connection with the election of directors, the management designees named in the enclosed form of proxy intend to vote such proxies FOR the election of the eight nominees whose names are set forth above.**

#### **4. Re-Appointment and Remuneration of Auditor**

At the Meeting, Shareholders will be asked to re-appoint MNP LLP as the auditor of the Corporation until the next annual meeting of Shareholders, based on the recommendation of the Audit Committee and the Board, and to authorize the Board to fix the remuneration of the auditor. MNP LLP has been the auditor of the Corporation since completion of the reverse takeover transaction between HIT Technologies Inc. ("**HIT**") and Carbeeza Ltd. ("**Carbeeza**") on June 29, 2021 (the "**RTO Transaction**"). Prior to the RTO Transaction, the auditors of HIT and Carbeeza were Baker Tilly WM LLP and MNP LLP, respectively.

**Unless a Shareholder directs that his, her or its Common Shares be withheld from voting in connection with the re-appointment of MNP LLP, the management designees named in the enclosed form of proxy intend to vote such proxies FOR the re-appointment of MNP LLP as the auditor of the Corporation and to authorize the directors to fix the remuneration of the auditor.**

#### **5. Approval of Amended Bylaws**

On October 5, 2023, the Board of Directors approved amending the existing bylaws of the Corporation to include advance notice provisions in the form set out at Schedule "C" attached to this Information Circular (the "**Amended Bylaws**"), effective on shareholder approval. The Amended Bylaws would incorporate advance notice provisions with respect to director nominations at future meetings of the shareholders. The adoption of the Amended Bylaws at the Meeting must be approved by an ordinary resolution of the shareholders at the Meeting to take effect.

- (a) Advanced Notice Provisions

The Amended Bylaws contain advance notice provisions which provide shareholders, the Board of Directors and Management of the Corporation with a clear framework for the nomination of directors to ensure that shareholders will have sufficient time and information to consider proposed director nominees and to ensure the orderly conduct of business at the Corporation's shareholder meetings. The proposed amendments are set forth in sections 18 through 27 of the bylaws contained in "Schedule "C"- Amended Bylaws".

The Amended Bylaws set forth a procedure requiring advance notice to the Corporation by any shareholder who intends to nominate a person for election as a director of the Corporation other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act (Alberta) (the "ABCA"); or (ii) a shareholder proposal made pursuant to the provisions of the ABCA. Among other things, the Amended Bylaws set a deadline by which such shareholders must notify the Corporation in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and specify the information that a nominating shareholder must include in the notice for director nominees to be eligible for nomination and election at the meeting.

In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made no later than the close of business on the 10th day following the public announcement.

In the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose including the election of directors, notice to the Corporation must be made no later than the close of business on the 15th day following the date on which the first public announcement of the date of the special meeting of shareholders was made.

If notice-and-access is used for delivery of proxy related materials in respect of an annual meeting of shareholders or a special meeting of shareholders (which is not also an annual meeting) called for any purpose including the election of directors, and the date on which the first public announcement of the date of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

The foregoing is only a summary of the principal provisions of the Amended Bylaws and is qualified by reference to the full text of the Amended Bylaws attached as "Schedule "C" – Amended Bylaws" to this information circular. Shareholders are urged to review the Amended Bylaws in their entirety.

**BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Amended Bylaws of Carbeeza Inc. (the "**Corporation**") in substantially the form attached as Schedule "C" to the management information circular of the Corporation dated October 5, 2023, is hereby ratified, confirmed and approved.
3. The board of directors of the Corporation on behalf of the Corporation is authorized and directed to make any changes to the Amended Bylaws without further approval of the shareholders of the Corporation, in order to ensure the adoption of the Amended Bylaws.

4. Any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to implement this ordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

In order to be adopted, the Amended Bylaw Resolution must be passed by the affirmative vote of a majority of the votes cast by Shareholders at the Meeting.

**In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the holders of Common Shares at the Meeting. Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the approval of the Amended Bylaw Resolution. The directors of the Corporation recommend that Shareholders vote FOR the approval of the Option Plan Resolution.**

## **6. Approval of Equity Incentive Plan**

Prior to the RTO Transaction, HIT adopted a stock option plan, which was approved by the HIT shareholders on April 15, 2020 (the "**HIT Option Plan**"), which continued as the stock option plan for officers, directors, employees and consultants of the Corporation following the RTO Transaction. On November 24, 2021, the TSX Venture Exchange ("**TSX-V**") announced certain amendments to the TSX-V Corporate Finance Policies regarding security-based compensation and replaced the former policy with "Policy 4.4 – Security Based Compensation" ("**TSX-V Policy 4.4**"), pursuant to which, amendments to the HIT Option Plan would be required.

At the meeting, Shareholders will be asked to approve the adoption of the 10% rolling stock option plan (the "**Equity Incentive Plan**"). The Equity Incentive Plan shall become effective upon the receipt of approval of the Shareholders and final acceptance by the TSX-V (the "**Effective Date**"). Pursuant to TSX-V Policy 4.4, a company listed on the TSX-V is required to obtain the approval of its shareholders for a "rolling" stock option plan at each annual meeting of shareholders. The Equity Incentive Plan is a "rolling" plan as the aggregate number of Common Shares reserved for issuance upon the exercise or redemption of awards granted pursuant to the Equity Incentive Plan is such number of Common Shares as is equal to 10% of the total number of Common Shares issued and outstanding from time to time.

All of the stock options (the "**Outstanding Options**") currently outstanding under the HIT Option Plan will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the HIT Option Plan, and the HIT Option Plan will terminate on the date upon which no Outstanding Options remain outstanding.

### **Equity Incentive Plan Summary**

The purposes of the Equity Incentive Plan, among other things, are to (i) enable Corporation and any of its successors or affiliates to attract and retain the types of employees, consultants, officers, and directors who will contribute to the Corporation's long-term success; (ii) provide incentives that align the interests of employees, consultants, officers and directors with those of the security holders of the Corporation; and (iii) promote the success of the Corporation's



business. The approval of the Equity Incentive Plan by the Board is subject to approval by the Shareholders and to the final acceptance of the Exchange.

### ***Administration***

The Equity Incentive Plan shall be administered by the Board, or a committee of the Board, who shall, subject to applicable law, the policies of the TSX-V and provisions of the plan, have the authority, among other things, to interpret and administer the plan, determine when awards are to be granted under the plan and the number of Common Shares subject to each award, to determine the terms and conditions of such awards, and to make certain decisions with respect to outstanding awards in the event of a change of control or other event triggering the adjustment provisions under the plan.

### ***Shares Subject to the Equity Incentive Plan***

The Equity Incentive Plan is a "rolling up to 10%" plan, which, subject to the adjustment provisions provided for therein, provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of Options granted under the Equity Incentive Plan ("**Options**") shall not exceed ten percent (10%) of the Corporation's total issued and outstanding Common Shares as at the time of the applicable Option grant.

The Equity Incentive Plan will be considered an "evergreen" plan, and the Common Shares covered by Options which have been exercised shall be available again for subsequent grants under the Equity Incentive Plan; and any awards that have been cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the Equity Incentive Plan.

### ***Eligibility and Limits and Restrictions on Awards***

The Equity Incentive Plan allows the Corporation to grant Options to directors, officers, employees, consultants to the Corporation or any subsidiary of the Corporation and to any individual employed by a company providing management services to the Corporation, or subsidiary, which services are required for the ongoing successful operation of the business enterprise of the Corporation or subsidiary.

In accordance with the insider participation limits and restrictions of TSX-V Policy 4.4, the Equity Incentive Plan provides that:

- The maximum aggregate number of Common Shares that are issuable pursuant to Options, and all other 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.
- The maximum aggregate number of Common Shares that are issuable pursuant to Options, and all other 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 Option or other security based compensation is granted or issued to any Insider, unless "disinterested" shareholder approval is obtained.

Furthermore, in accordance with TSX-V Policy 4.4, the Equity Incentive Plan provides that:

- The maximum aggregate number of Common Shares issuable pursuant to Options, and all other security based compensation, grants to any one Person in any 12-month period must not exceed 5% of the issued and outstanding Common Shares, calculated on the date the Option or other security based compensation is granted or issued to the Person, unless "disinterested" shareholder approval is obtained.
- The maximum aggregate number of Common Shares issuable pursuant to Options, and all other security-based compensation, granted to any one consultant in any 12-month period must not exceed 2% of the issued and outstanding Common Shares, calculated on the date of grant or issuance.
- The aggregate number of Options granted to all persons employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares of the Corporation in any 12-month period.

### ***Option Provisions***

Each Option granted under the Equity Incentive Plan shall be evidenced by an award agreement, which shall include provisions, in substance, as follows:

- No Option shall be exercisable after the expiration of 10 years from the grant date or such shorter period as set out in the applicable award agreement, unless the Option was set to expire during, or within ten business days immediately following, a blackout period, in which case they shall expire on the tenth business day after the immediately following the end of the blackout period.
- The exercise price each Option shall be fixed by Board (or committee thereof) and shall not be less than (i) 100% of the fair market value of the Common Shares as of the grant date; or (ii) if the Common Shares are listed on the TSX-V, the discounted market price, subject to all applicable regulatory requirements.
- A vested Option or any portion thereof may be exercised by the holder by delivering to the Corporation a notice of exercise, signed by the holder or, their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any applicable withholding taxes.
- Subject to applicable laws, the policies of the TSX-V, and the provisions of the plan, the Board (or committee thereof) may determine the vesting provisions of each award. Options may vest in instalments and the vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. Acceleration of the vesting of Options may, but need not, be accelerated on the occurrence of certain event specified under the plan.
- The following summarizes the impact of certain events upon the rights of holders of Options under the Equity Incentive Plan:
  - *Termination for Cause* - unless otherwise determined, all vested and unvested Options shall expire and terminate immediately.
  - *Disability or Leave of Absence* - Unless otherwise provided in an award agreement, Options shall continue to vest in accordance with their terms and may be exercised at any time until the expiry date.

- *Death* - Unless otherwise provided in an award agreement, Options shall continue to vest in accordance with their terms and may be exercised at any time prior to the earlier of the expiry date and the one-year anniversary of the holder's death.
- *Retirement* - Unless otherwise provided in an award agreement, Options shall continue to vest in accordance with their terms and may be exercised at any time prior to the earlier of (i) the expiry date of the Option and (ii) the third anniversary of the holder's retirement.
- *Resignation* - Unless otherwise provided in an award agreement, all unvested Options shall expire immediately and the vested portion of any Option may be exercised at any time prior to the earlier of (i) the expiry date of the Option and (ii) the 60<sup>th</sup> day following the holder's resignation.
- *Termination without Cause* - Unless otherwise provided in an award agreement, Options shall continue to vest in accordance with their terms and may be exercised at any time prior to the earlier of (i) the expiry date of the Option and (ii) the 60<sup>th</sup> day after the holder's termination.
- *Termination following Change of Control* - Unless otherwise provided in an award agreement, if a change of control occurs and (i) the holder's employment is terminated within 180 days of, and in connection with, the change of control, other than for cause or (ii) the holder is constructively dismissed due to an event arising within the 180 of the change of control, the Options shall become fully vested and may be exercised prior to the earlier of (A) the expiry date of the Option and (B) 90 days after the termination or dismissal.
- Any Options issued to a person providing investor relations activities must vest in stages over 12-months with no more than 25% vesting in any three-month period.

### ***Net Exercise***

The Equity Incentive Plan provides for the Net Exercise (as defined below) of Options in accordance with certain requirements of TSX-V Policy 4.4. A participant may elect to exercise an Option, in whole or in part, on a "net exercise" ("**Net Exercise**") basis. In connection with a Net Exercise of Options, a participant would receive Common Shares equal in value to the difference between the Option price and the fair market value of the Common Shares on the date of exercise, computed in accordance with the Equity Incentive Plan.

### ***Acceleration and Amendment Provisions***

Pursuant to the Equity Incentive Plan, any Options issued to a person providing investor relations activities must vest in stages over 12 months with no more than 25% vesting in any three-month period.

Under the Equity Incentive Plan, the following amendments will require shareholder approval:

- (a) any amendment to increase the maximum number of Common Shares, except as for adjustments in changes in capital as set out in Section 9 of the Equity Incentive Plan;

- (b) any amendment that extends the expiry date, redemption date or settlement date, as applicable, of any award to later than ten (10) business days after the expiry of the blackout period;
- (c) any amendment that would result in the Exercise Price for any Option granted under the plan being lower than: (i) the fair market value at the grant date of the Option; or (ii) if the Common Shares are listed on the TSX-V, the discounted market price;
- (d) any amendment to remove or to exceed the insider participation limits;
- (e) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, except as permitted under the plan;
- (f) any amendment extending the term of an Option beyond the original expiry date, except as otherwise provided;
- (g) any amendment to the amendment provisions;
- (h) any amendment that would allow for the transfer or assignment of awards, other than for normal estate settlement purposes; and
- (i) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the TSX-V).

At all times when the Corporation is listed on the TSX-V, the shareholder approval referred to above must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSX-V.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass, with or without variation, the following ordinary resolution to approve and confirm the Equity Incentive Plan (the "**Option Plan Resolution**"):

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The stock option plan (the "**Equity Incentive Plan**") of Carbeeza Inc. (the "**Corporation**") in substantially the form attached as Schedule "A" to the management information circular of the Corporation dated October 5, 2023, is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange (the "**TSX-V**").
2. All unallocated options to acquire common shares of the Corporation, rights or other entitlements available under the Equity Incentive Plan are hereby approved and authorized.
3. The board of directors of the Corporation on behalf of the Corporation is authorized and directed to make any changes to the Equity Incentive Plan as may be required by regulatory authorities, including the TSX-V, without further approval of the shareholders of the Corporation, in order to ensure the adoption of the Equity Incentive Plan.
4. Any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and instruments and

take such other actions as such director or officer may determine to be necessary or desirable to implement this ordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

In order to be adopted, the Option Plan Resolution must be passed by the affirmative vote of a majority of the votes cast by Shareholders at the Meeting.

**In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the holders of Common Shares at the Meeting. Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the approval of the Option Plan Resolution. The directors of the Corporation recommend that Shareholders vote FOR the approval of the Option Plan Resolution.**

## **7. Approval of Related Party Transaction**

On November 1, 2022, Sandro Torrieri, Chief Executive Officer, Director and a control person of the Corporation ("**Torrieri**"), advanced to the Corporation Cdn\$250,000. In exchange, the Corporation executed an unsecured promissory note (the "**First Promissory Note**") in favour of Torrieri with an original principal amount of Cdn\$250,000 bearing interest at an annual rate of 12.0% on a simple interest basis. The maturity date of the First Promissory Note is November 1, 2024. The Corporation used the cash advanced pursuant to the First Promissory Note: (i) for marketing purposes; (ii) for technology development; and (iii) for general working capital and administrative purposes.

On May 19, 2023, Torrieri advanced to the Corporation Cdn\$200,000. In exchange, the Corporation executed an unsecured promissory note (the "**Second Promissory Note**") in favour of Torrieri with an original principal amount of Cdn\$200,000 bearing interest at an annual rate of 12.0% on a simple interest basis. The maturity date of the Second Promissory Note is May 19, 2025. The Corporation used the cash advanced pursuant to the Second Promissory Note: (i) for marketing purposes; (ii) for technology development; and (iii) for general working capital and administrative purposes.

On September 29, 2023, Torrieri advanced to the Corporation Cdn\$200,000. In exchange, the Corporation executed an unsecured promissory note (the "**Third Promissory Note**" and together with the First Promissory Note and the Second Promissory Note, the "**Promissory Notes**") in favour of Torrieri with an original principal amount of Cdn\$200,000 bearing interest at an annual rate of 12.0% on a simple interest basis. The maturity date of the Third Promissory Note is September 29, 2025. The Corporation used the cash advanced pursuant to the Third Promissory Note: (i) for marketing purposes; (ii) for technology development; and (iii) for general working capital and administrative purposes.

As of October 5, 2023, the aggregate amount of outstanding principal and accrued interest owing to Torrieri under the Promissory Notes is Cdn\$708,218.95.

## **The Proposed Convertible Debenture**

The Corporation and Torrieri propose to enter into an unsecured convertible debenture (the "**Convertible Debenture**") pursuant to which Torrieri, as lender, agrees to loan, in one or more advances, up to Cdn\$2,500,000 to the Corporation (the "**Related Party Transaction**"). The initial advance under the Convertible Debenture will be in the amount of \$708,218.95. The initial advance shall be used firstly to repay in full the aggregate amount of outstanding

principal and accrued interest owing under the Promissory Notes, with the remaining proceeds of the initial advance and all other subsequent advances to be used by the Corporation to advance the Corporations marketing efforts in the United States, for continued technology development and for general working capital and administrative purposes.

The following chart below summarizes the principal terms of the proposed Convertible Debenture. The summary contained in this Addendum is not comprehensive and is qualified in its entirety by reference to the full text of the Convertible Debenture, the form of which is attached hereto as Schedule "D". A copy of the form of Convertible Debenture is also available for inspection by Shareholders at the Corporation's registered and records office located at Suite 500, 707 5<sup>th</sup> Street SW, Calgary, Alberta, T2P 1V8 during regular business hours prior to the date of the Meeting.

**Transaction:** Un-secured convertible debenture in the principal amount of up to Cdn\$2,500,000

**Issue Date:** As soon as practicable after the requisite Shareholder and regulatory approvals have been obtained by the Corporation

**Principal Amount:** Up to Cdn\$2,500,000.

The initial advance under the Convertible Debenture will be in the amount of \$708,218.95. Upon written request by the Corporation, Torrieri may, in its discretion, make additional advances to the Corporation after the issue date of the Convertible Debenture, provided that the total of all advances, including the Initial Advance, shall not exceed Cdn\$2,500,000

**Use of proceeds:** The initial advance shall be used firstly to repay in full the aggregate amount of outstanding principal and accrued interest owing under the Promissory Notes, with the remaining proceeds of the initial advance and all other subsequent advances to be used by the Corporation to advance the Corporations marketing efforts in the United States, for continued technology development and for general working capital and administrative purposes.

**Maturity:** On the earlier of (i) written demand made by Torrieri; and (ii) December 31, 2025

**Interest:** Interest accrues daily on the outstanding principal amount of each advance from the date of each advance at a rate equal to 12% per annum, compounded monthly on the last day of each month.

**Conversion Right:** Torrieri, at his option, has the right, at any time up to and including the maturity date, to convert the outstanding principal amount of the Convertible Debenture (excluding accrued but unpaid interest), in whole or in part, into common shares ("**Common Shares**") of the Corporation at a

conversion price of Cdn\$0.20 per Common Share (the "**Conversion Price**")

***Prepayment:***

Provided no event of default has occurred, the Corporation shall have the option to prepay all or any portion of the principal amount outstanding and accrued interest thereon.

***Covenants:***

The Corporation agrees that, while any principal amount remains outstanding under the Convertible Debenture, it shall, amongst other things: (i) duly and punctually pay all amounts due; (ii) perform all obligations on its part to be performed under the terms of the Convertible Debenture; (iii) maintain its corporate existence in good standing; (iv) maintain its status as a "reporting issuer" and not be in material default of any requirement of any applicable securities laws; (v) make all requisite filings under all applicable securities legislation and use its best efforts to maintain a listing of its common shares on a recognized stock exchange acceptable to Torrieri; (vi) carry on and conduct its business in the ordinary course in compliance with all applicable laws; (vii) provide Torrieri with prompt written notice of the occurrence of any event of default or any event or circumstance that, with the giving of notice or lapse of time or both, would constitute an event of default; (viii) reserve and keep available a sufficient number of common shares for the purpose of enabling it to satisfy its obligations to issue common shares upon the exercise of any conversion rights; (ix) cause the common shares and the certificates representing the common shares, from time to time acquired pursuant to the exercise of any conversion rights to be duly issued and delivered in accordance with the terms of the Convertible Debenture; (x) maintain the listing of its common shares on the TSXV; (xi) ensure that all common shares which shall be issued upon the exercise of any conversion rights be issued as fully paid and non-assessable; and (xii) ensure that all common shares otherwise issued hereunder be issued as fully-paid and non-assessable.

***Events of Default:***

Each of the following events constitutes an "event of default" under the Convertible Debenture: (i) if the Corporation defaults in payment of the principal amount or any interest payment when the same becomes due and payable, and such default is not cured within 5 days written notice by the Corporation; (ii) if the securities regulatory authority of any jurisdiction issues an order ceasing trading in the securities of the Corporation that is not revoked within 30 days; (iii) if the securities of the Corporation are delisted from a stock exchange or if trading in any of the Corporation's securities over a stock exchange are suspended for a period of 30 days or more; (iv) if there shall occur a change of control of the Corporation; (v) if the Corporation (I) makes a general assignment for the benefit of creditors, (II) institutes or has instituted against it any proceeding seeking to adjudicate it a

bankrupt or insolvent, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (III) takes any corporate action to authorize any of the above actions; (vi) if the Corporation ceases to carry on business; (vii) if there is material adverse qualification to the consolidated financial statements of the Corporation by its auditors; or (viii) if the Corporation shall breach or otherwise fail to perform or observe in a material manner any other covenant, term or condition contained in the Convertible Debenture or any related document or agreement, and the breach is not cured within thirty (30) days written notice.

***Assignment/Transfer:*** The Convertible Debenture is non-negotiable and Torrieri cannot transfer, sell, assign or pledge the Convertible Debenture, without the prior written consent of the Corporation, acting reasonably, provided that Torrieri may transfer the Convertible Debenture to an affiliate

### ***Effectiveness of the Convertible Debenture***

Execution of the Convertible Debenture by the Corporation and Torrieri, and the effectiveness of the respective covenants, agreements and obligations of each party under the Convertible Debenture, are subject to certain conditions, including the Corporation obtaining TSX Venture Exchange ("**TSXV**") acceptance of the Convertible Debenture and the requisite approval of the Related Party Transaction from Shareholders in accordance with the requirements of MI 61-101 (as defined herein). See the section entitled "Shareholder Approval Pursuant Applicable Securities Law Requirements" below. The Corporation anticipates executing the Convertible Debenture as soon as practicable after the requisite Shareholder and regulatory approvals have been obtained. The initial advance under the Convertible Debenture will be in the amount of \$708,218,95. The initial advance shall be used firstly to repay in full the aggregate amount of outstanding principal and accrued interest owing under the Promissory Notes, with the remaining proceeds of the initial advance and all other subsequent advances to be used by the Corporation to advance the Corporations marketing efforts in the United States, for continued technology development and for general working capital and administrative purposes.

### ***Board Review and Approval***

The Related Party Transaction and the terms thereof were reviewed and unanimously approved by the Board by resolutions passed on October 5, 2023. The Board's approval of the Related Party Transaction and its recommendation to Shareholders regarding the approval



of the Related Party Transaction were based upon careful consideration of, among other things:

- the Related Party Transaction is offered on reasonable commercial terms not less advantageous to the Corporation than if the Corporation obtained similar financing from a person dealing at arm's length with the Corporation;
- that the advances under the Convertible Debenture will enable the Corporation to:
  - repay in full the outstanding principal and accrued interest owing under the Promissory notes;
  - advance the Corporation's marketing efforts in the United States
  - ongoing development of the technology; and
  - for general working capital and administrative purposes.
- Completion of the Related Party Transaction will enhance the Corporation's ability to continue as a going concern in the near term and provide the Corporation with financial flexibility to consider and explore different measures to secure additional capital.

In the course of evaluating the Related Party Transaction, the Board consulted with the Corporation's senior management, reviewed relevant information and considered a number of factors, including, among others, the following:

- the pressing financial needs of the Corporation;
- the dilution to existing Shareholders;
- the limited availability of alternative sources of capital for the Corporation; and
- all other matters deemed relevant by the Board.

Accordingly, after careful consideration, the Board has determined that the terms of the Related Party Transaction are fair and reasonable insofar as its Shareholders are concerned and the approval of the Related Party Transaction is in the best interest of the Corporation.

### ***Shareholder Approval Pursuant to Applicable Securities Law Requirements***

The Corporation is a reporting issuer in the provinces of Alberta and British Columbia and its common shares are listed on the TSXV under the symbol "AUTO". Accordingly, the Corporation is subject to applicable Canadian securities laws, including Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). MI 61-101 regulates insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholders approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors.

Torrieri is a "related party" of the Corporation pursuant to MI 61-101 as Torrieri is a director, officer and a control person of the Corporation. The Related Party Transaction described above will constitute a "related party transaction" under MI 61-101 because it is a transaction in

which the Corporation will: (i) borrow money from a related party; and (ii) issue a security to the related party.

Neither the Corporation nor any of its officers or directors, after reasonable inquiry, are aware of any prior valuations or bona fide offers that have been completed or received by the Corporation in the past 24 months in respect of the Corporation that relate to the subject matter of or are otherwise relevant to the Related Party Transaction.

#### *Exemptions from Formal Valuation Requirements*

With respect to the formal valuation requirement under MI 61-101, the Corporation is relying upon the exemption from the requirement set forth in Section 5.5(b) of MI 61-101 which is available if no securities of the issuer are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. This exemption is available to the Corporation as its common shares are listed only on the TSXV.

#### *Minority Shareholder Approval*

The Corporation is seeking minority shareholder approval of the Related Party Transaction pursuant to section 5.6 of MI 61-101. In determining minority approval for a related party transaction, the Corporation is required to exclude the votes attached to common shares that, to the knowledge of the Corporation or any "interested party" or their respective directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by "interested parties" and their "related parties" and "joint actors" (all as defined in MI 61-101). At the Meeting, the common shares held by (i) Torrieri and (ii) any of his related parties, associates or affiliates, and any joint actors of the foregoing (collectively, the "Excluded Parties") will be excluded for the purposes of determining minority approval of the Related Party Transaction Resolution (as defined below). For the purposes of this information circular, "disinterested shareholders" means all Shareholders, other than the Excluded Parties.

To the best of the Corporation's knowledge, approximately 15,537,830 common shares, representing approximately 21.8% of the Corporation's issued and outstanding common shares, are beneficially owned by Torrieri and his related parties, associates or affiliates as of the date hereof. Accordingly, the 15,537,830 votes attached to the common shares beneficially owned, or over which control or direction is exercised, by the Excluded Parties will be excluded from the vote.

The common shares which are issuable to Torrieri upon conversion of the Convertible Debenture, if approved, will not materially affect control of the Corporation. Assuming the full principal amount of the Convertible Debenture is converted into common shares in accordance with the terms thereof, Torrieri and his related parties, associates or affiliates will hold 28,037,830 common shares, representing approximately 33.5% of the then issued and outstanding common shares. Torrieri currently holds a convertible debenture valued at \$2,000,000 which is convertible into 5,000,000 common shares of the Corporation (the "**Existing Convertible Debenture**"). He also has stock options for the purchase of 1,000,000 common shares (the "**Stock Options**"). If the Existing Convertible Debenture is converted in full and the Stock Options are exercised in full, Torrieri and his related parties, associates or affiliates will hold 34,037,830 common shares, representing approximately 38% of the then issued and outstanding on a fully diluted basis.

At the Meeting, disinterested shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution (the "**Related Party Transaction Resolution**") to authorize and approve the Related Party Transactions. To be effective, the Related Party Transaction Resolution requires the approval of at least a simple majority of the votes cast by disinterested shareholders, represented in person or by proxy and entitled to vote at the Meeting.

The text of the Related Party Transaction Resolution is as follows:

**"BE IT RESOLVED THAT:**

1. the Related Party Transaction, as defined and more particularly described in the Information Circular, is hereby authorized and approved;
2. any director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver the Convertible Debenture, in the form attached to the Information Circular, and to make or approve, prior to signing, any changes to the Convertible Debenture that such director or officer may deem necessary, proper or advisable, such determination to be conclusively evidenced by the execution and delivery of the Convertible Debenture;
3. any director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and, if appropriate, deliver all other agreements, documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such agreement, document or instrument, and the taking of such action; and
4. notwithstanding that this resolution has been duly passed by the disinterested shareholders of the Corporation, the board of directors of the Corporation (the "**Board**") is hereby authorized, at its sole discretion and without further approval of or notice to the shareholders of the Corporation, to determine not to proceed with any of the Related Party Transactions and revoke these resolutions before they are acted on in whole or in part."

**The Board recommends that disinterested shareholders vote in FAVOUR of the Related Party Transaction Resolution. In the absence of contrary instructions, the person named in the accompanying Amended Proxy intends to vote the common shares represented thereby FOR the Related Party Transaction Resolution.**

**In the absence of contrary instructions, the management designees named in the enclosed form of proxy intend to vote such proxies FOR the Related Party Transaction Resolution.**

**In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the Disinterested Shareholders of Common Shares at the Meeting.**

**OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is

the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

**APPROVAL AND CERTIFICATION**

The contents and the sending of the Notice and this Circular have been approved by the Board of Directors of the Corporation.

**DATED** this 5<sup>th</sup> day of October, 2023.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF CARBEEZA INC.**

**Signed**      *"Sandro Antoni Torrieri"*

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**Sandro Antoni Torrieri  
President and Chief Executive  
Officer**

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers. Additionally, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and Policy 3.1 *Directors, Officers, Other Insiders & Personnel and Corporate Governance* of the TSX Venture Exchange Manual set out a series of guidelines to address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders and has reviewed the Corporation's corporate governance practices in light of these guidelines. A description of the Corporation's corporate governance practices is set out below.

### **Board of Directors**

The Board is currently comprised of six directors and it is proposed that six directors will be nominated at the Meeting.

NI 58-201 recommends that the board of directors of every listed company should consist of a majority of individuals who qualify as "independent" directors under National Instrument 52-110 – Audit Committees ("**NI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

If the proposed directors are elected at the Meeting, the Board will consist of Sandro Antoni Torrieri, Evan Baptie, Niel Hiscox, Ron Hozjan, Maria Nathanail and Ibrahim Gideon, four of whom are considered "independent", within the meaning of NI 58-101, being Evan Baptie, Niel Hiscox, Ron Hozjan and Ibrahim Gideon. Mr. Torrieri is not independent as he is the President and Chief Executive Officer of the Corporation and Maria Nathanail is not independent as she is a partner with McLeod Law LLP, legal counsel to the Corporation.

In the recently completed period, the Board was, and currently is, comprised of a majority of independent directors. In order to facilitate its exercise of independent judgment in carrying out its responsibilities, if necessary, the independent directors may meet without the presence of the non-independent directors. During the last completed period, the independent directors did not hold regularly scheduled meetings at which non-independent directors were not in attendance. Open and candid discussion is encouraged among the independent directors and, pursuant to the Board's mandate, directors, in discharging their duties of care and loyalty, are expected to exercise their business judgment to act reasonably and in the best interests of the Corporation.

The Board is responsible for the stewardship of the Corporation, including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long-term goals and objectives for the Corporation and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board may delegate the responsibility for managing the day-to-day affairs of the Corporation to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. Additionally, the Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

### **Directorships**

The current directors are directors of other reporting issuers as follows:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer (Jurisdiction)</b>	<b>Symbol</b>	<b>Stock Exchange</b>
Ron Hozjan	Tenth Avenue Petroleum Corp.	TPC	TSX-V
		TCI.H	NEX
	Target Capital Inc.	NOVC	TSX
	Nova Cannabis Inc.	TVE	TSX
	Tamarack Valley Energy Ltd.	LGN.V	TSX-V
	Logan Energy Corp.	LQSIF	TSX
	Alcanna Inc.		

### **Orientation and Continuing Education**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation strives to provide such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited turnover of the directors and the experience and expertise of the members of the Board.

No formal continuing education program currently exists for the directors of the Corporation. The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

### **Ethical Business Conduct**

The Board adopted a written code of business conduct and ethics for its directors, officers, employees, and contractors (the "**Code**") and is responsible for monitoring compliance with

the Code. The Board takes appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

A copy of the Code is available on the Corporation's website at [www.carbeeza.com](http://www.carbeeza.com).

### **Board Committees**

The Board maintains two standing committees:

- Audit Committee - made up of a majority of independent members of the Board
- Compensation and Corporate Governance Committee

### **Assessment of Directors**

The Board does not have a formal process for assessing the performance of the Board, its Committees or individual directors. However, given the size of the Board, all members contribute effectively and have an excellent working relationship and attendance record.

### **Nomination of Directors**

The Corporation may use various sources in order to identify the candidates for the Board, including its own contacts and the references of other directors, officers, advisors of the Corporation and executive placement agencies. The Board selects nominees for election to the Board, after having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the Board.

### **Compensation**

The Compensation and Corporate Governance Committee conducts a yearly review of directors' compensation having regard to various reports on current trends in directors' Compensation and compensation data for directors of issuers of comparative size to the Corporation. Given the size of the Corporation, it is difficult to adequately compensate directors for their time, effort and diligence. As such, compensation of the Board is currently comprised of Options granted from time to time under the Equity Incentive Plan of the Corporation.

Additional information regarding the compensation of directors, as well as information regarding the compensation of the CEO and CFO, is included in this Circular under the section entitled "Statement of Executive Compensation".

## **AUDIT COMMITTEE INFORMATION**

NI 52-110 requires the Audit Committee of the Corporation (the "**Audit Committee**") to meet certain requirements in respect of responsibilities, composition and authority. NI 52-110 also requires the Corporation to disclose certain information regarding the Audit Committee as described herein.

### **Audit Committee Charter**

The Audit Committee Charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. A copy of the charter is attached to this Circular as Schedule "B".

### ***Composition of the Audit Committee***

The Audit Committee is currently comprised of four directors of the Corporation: Ron Hozjan (Chair), Evan Baptie, Niel Hiscox, and Ibrahim Gedeon who are all independent members of the Board.

### ***Relevant Education and Experience***

Each member of the Audit Committee has experience relevant to his or her responsibilities as an Audit Committee member and is financially literate as such term is defined in NI-52-110.

**Ron Hozjan (Chair)** has over 20 years of experience as a senior financial officer, primarily with publicly traded companies. He is a CPA with extensive experience of successfully growing several energy companies from start-up to mid-cap size. His strengths are in capital markets, finance and accounting, mergers and acquisitions, internal controls and all other facets. Mr. Hozjan is currently the chair of the audit committee of each of Nova Cannabis Inc., Tenth Avenue Petroleum Corp. and Target Capital Inc.

**Evan Baptie** is a seasoned financial executive who has held senior financial leadership roles in technology companies. He holds a Master of Business Administration (Finance Specialization) Degree from the University of Alberta (2014). He is also a senior member of the TELUS Corporate Pension Fund, a \$10 billion CAD pension plan. He is one of three investment professionals managing \$1.6 billion of alternative investments, including Private Equity, Infrastructure and Private Credit, and \$1.2 billion in Global Equity. Mr. Baptie oversees all aspects of the investment process and is also involved in risk management, economic analysis and asset allocation. Prior to joining TELUS Pension Investments in 2015, he spent 7 years in Finance Operations in positions of increasing responsibility.

**Niel Hiscox** is an experienced entrepreneur with over 25 years' experience in marketing, advertising, media and communications. In 2010, Mr. Hiscox started Universus Media Group Inc., a marketing and communications firm specialized in the automotive industry. In 2016, Universus expanded, becoming the Canadian provider of the Myadbox marketing automation platform. He previously served as the leader of CLB Media Inc., one of Canada's largest business-to-business media companies and is a founding member of KPMG's Digital Strategies consulting practice.

**Ibrahim Gedeon** has decades of experience as the Chief Technology Officer at Telus.

### ***Audit Committee Oversight***

The purpose of the Audit Committee is to provide a structured, systematic oversight of the Corporation's financial reporting, risk management, and internal control practices. The Audit Committee assists the Board and management by providing advice and guidance on the adequacy of the Corporation's initiatives for:

- (a) Financial statements and public accountability reporting;



- (b) Internal control framework;
- (c) Risk management; and
- (d) Oversight of the internal audit activity, external auditors, and other providers of assurance.

In broad terms, the Audit Committee reviews each of the items noted above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

At no time since the commencement of the Corporation's most recently completed financial year did the Board decline to adopt a recommendation of the Audit & Risk Committee, or to nominate /compensate an external auditor.

**Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year:

- (a) no recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board;
- (b) the Corporation has not relied on any exemption from NI 52-110;

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

**Pre-Approval Policies and Procedures**

The Audit Committee shall pre-approve all non-audit services to be provided to the Corporation by the Corporation's independent external auditors and shall establish a pre-approval policy to do so.

**External Auditor Service Fees (by category)**

MNP LLP was appointed as the Corporation's external auditors on June 29, 2021, following completion of the RTO Transaction. Prior to the RTO Transaction, the auditor of Hit Technologies Inc. was Baker Tilly WM LLP and the auditor of Carbeeza Ltd. was MNP LLP. The aggregate fees billed and estimated to be billed by the external auditors for the last two fiscal years is set out in the table below.

<b>Financial Year Ending</b>	<b>Audit Fees (1)(3)</b>	<b>Audit Related Fees (2)(3)</b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees</b>
December 31, 2022	62,700	NIL	NIL	NIL
December 31, 2021	\$57,965	\$137,332	\$4,815	-

**Notes:**

- (1) "Audit Fees" refers to the aggregate fees billed by the external auditors for audit services for Hit Technologies Inc. and the Corporation. Audit Fees for 2021 include fees paid to Baker Tilly WM LLP for auditing services provided to Hit Technologies Inc.
- (2) "Audit Related Fees" include fees for services that are traditionally performed by the auditor. These include the audit for carve-out statements, valuation fees, review of information circular relating to the RTO Transaction and the provision of comfort letter related thereto.
- (3) In Canadian dollars.

### ***Exemption for Venture Issuers***

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### **STATEMENT OF EXECUTIVE COMPENSATION**

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as a director or officer of the Corporation.

References to the "**RTO Transaction**" in this section refer to the RTO Transaction completed on June 29, 2021, whereby the Corporation (formerly Hit Technologies Inc.) and Carbeeza Ltd. amalgamated and changed its name to "Carbeeza Inc." For more information on the RTO Transaction, please refer to the Corporation's press release dated June 8, 2021 and the Management Information Circular of the Corporation dated May 31, 2021, both of which are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Named Executive Officers**

For the purpose of this Circular, a Named Executive Officer ("**NEO**") of the Corporation means each of the following individuals:

- (c) CEO of the Corporation;
- (d) the CFO of the Corporation;
- (e) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (f) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

For the financial year ended December 31, 2022, the Corporation had three NEO's being Sandro Antoni Torrieri, President and Chief Executive Officer, Scott Hamilton, Chief Financial Officer and Breton Gaunt, Corporate Secretary. Scott Hamilton, the former Chief Financial

Officer of the Corporation was replaced as Chief Financial Officer by Joanna Hampton, Chief Financial Officer on June 6, 2023. Brooks Bergreen, the former Chief Executive Officer of Hit Technologies Inc. and Alex McAulay, former Chief Financial Officer of Hit Technologies Inc. resigned as NEO's effective on the closing of the RTO Transaction.

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and processes and to discuss compensation decisions relating to its NEO's listed in the Summary Compensation table below.

The Compensation and Corporate Governance Committee is responsible for recommending to the Board how directors and executive officers will be compensated for their services as directors and officers, and the Board reviews and approves such compensation paid to its directors and officers. See "Statement of Corporate Governance Practices" for further details with respect the composition, policy and practices of the Compensation and Corporate Governance Committee.

### ***Objectives of the Compensation Program***

Executive officer compensation is determined by the Board, based in part on recommendations from the CEO. The Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The Board believes that the Corporation's compensation plan is consistent with the companies it competes with for talent. The objectives of the Corporation's compensation policies and practices include the following:

- attracting and retaining highly qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the Shareholders; and
- ensuring competitive compensation that is also affordable for the Corporation.

The compensation program is designed to provide competitive levels of compensation. The Corporation recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Corporation's directors and officers may receive compensation that currently comprises two components:

- base salary, wages or contractor payments;
- Options pursuant to the Equity Incentive Plan.

The objectives and reasons for this system of compensation are to allow the Corporation to remain competitive compared to its peers in attracting experienced personnel while taking into account the constraints that the Corporation is under by virtue of the fact that it is a newly listed technology company without a history of earnings. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

### **Base Salary and Benefits**

The objectives of the base salary are to provide compensation in accordance with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEO's is reviewed annually by the Board as part of the annual review of executive officers. The decision whether to grant an increase to the executive's base salary and the amount of any such increase is ultimately in the sole discretion of the Board.

Other components of compensation may include personal benefits as determined by the Compensation and Corporate Governance Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

### **Stock Option-Based Awards**

The Equity Incentive Plan is administered by the Compensation and Corporate Governance Committee and is designed to give each award holder an interest in preserving and maximizing shareholder value in the long term, to enable the Corporation to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance. The Compensation and Corporate Governance Committee has the sole discretion to determine the key employees to whom it recommends that grants of awards be made and to determine the terms of the awards forming part of such grant.

The Compensation and Corporate Governance Committee, in conjunction with the President & CEO, prepare recommendations on the allocation of awards and presents these recommendations to the Board for modification or approval. Any grant by and any determination made by the Compensation and Corporate Governance Committee requires confirmation by the Board.

### **Table of Compensation Excluding Compensation Securities**

The following table is a summary of annual compensation paid to the Directors and NEO's for the Corporation's two most recently completed financial years. The Corporation does not currently have and does not intend to implement any pension plan or other arrangement for cash or non-cash compensation for its directors. Directors of the Corporation do not receive any compensation other than Options under the Equity Incentive Plan.

<b>Name and Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>All other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Sandro Antoni Torrieri <sup>(1)</sup> <i>Chief Executive Officer Director</i>	2022	-	-	-
Breton Gaunt <sup>(2)</sup> <i>Corporate Secretary</i>	2022	-	-	-

Scott Hamilton <sup>(3)</sup> <i>Former Chief Financial Officer</i>	2022	\$66,150	-	\$
Joanna Hampton <sup>(4)</sup> <i>Chief Financial Officer</i>	2022	NIL	-	\$

**Notes:**

- (1) Appointed President and Chief Executive Officer of Carbeeza Inc. effective June 29, 2021 upon closing of the RTO Transaction. Not currently receiving any compensation other than stock options as outlined in the following table, Compensation Securities.
- (2) Appointed Corporate Secretary of Carbeeza Inc. effective June 29, 2021 upon closing of the RTO Transaction. Not currently receiving any compensation other than stocks options as outlined in the following table, Compensation Securities.
- (3) Former Chief Financial Officer originally appointed in June, 2021 for a one-year term which expired on June 14, 2023.
- (4) Current Chief Financial Officer appointed on June 14, 2023. Consulting fees received through Ms. Hampton's professional corporation, Allan Welsh & Company Professional Corporation, for accounting services rendered in 2020 and 2021. However, Joanna Hampton in her individual capacity as CFO has not received any fees to date.

**Stock Options**

The only equity-based compensation plan that the Corporation has in place is its Equity Incentive Plan, which allows the Corporation to grant stock options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation.

No incentive stock options were exercised by the NEO's during the most recently completed financial year ended December 31, 2022 and none were exercised by NEO's as of the date of this Circular.

The following table discloses the particulars of all awards for directors and NEO's outstanding at the financial year ended December 31, 2022.

<b>Director and NEO Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>

		<b>percentage of class</b>					
Sandro Antoni Torrieri <i>Chief Executive Officer Director</i>	Stock Options	1,000,000 1.56%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Breton Gaunt <i>Corporate Secretary</i>	Stock Options	50,000 <0.1%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Scott Hamilton <i>Former Chief Financial Officer</i>	Stock Options	50,000 <0.1%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Joanna Hampton <i>Chief Financial Officer</i>	Stock Options	150,000 0.2%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Evan Baptie <i>Director</i>	Stock Options	400,000 0.6%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Maria Nathanail <i>Director</i>	Stock Options	150,000 0.2%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Ron Hozjan <i>Director</i>	Stock Options	200,000 0.3%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026
Niel Hiscox <i>Director</i>	Stock Options	100,000 0.15%	November 29, 2021	\$0.49	\$0.51	\$0.45	November 29, 2026

### **Summary of the Equity Incentive Plan**

Prior to the RTO Transaction, HIT adopted the HIT Option Plan, which continued as the stock option plan for officers, directors, employees and consultants of the Corporation following the RTO Transaction. The Board ratified and approved the Equity Incentive Plan on June 29, 2021. On November 24, 2021, TSX-V, announced certain amendments to the TSX-V Corporate Finance Policies regarding security-based compensation and replaced the former policy with TSX-V Policy 4.4. The HIT Option Plan is not in compliance with the new TSX-V Policy 4.4.

The Board determined that it was in the best interest of the Corporation to implement a new stock option plan. As such, at the meeting, Shareholders will be asked to approve the adoption of a new 10% rolling stock option plan the (the "**Equity Incentive Plan**").

A summary of the Equity Incentive Plan may be found above on page 10 of this Circular under the heading "*Approval of Equity Incentive Plan - Equity Incentive Plan Summary*", which summary is qualified in its entirety by the full text of the Equity Incentive Plan attached as Schedule "A" to this Circular.

### **Pension Plan Benefits**

The Corporation does not maintain any pension plans, and none are proposed at this time.

### **Employment Agreements and Termination and Change of Control Benefits**

The Corporation does not have written employment agreements with the Named Executive Officers, nor any plans or arrangements in place with any NEO that provide for payment following or in connection with any termination, resignation, retirement, a change of control of the Corporation or a change in a NEO's responsibilities.

### **Directors' and Officers' Insurance**

During the financial year ended December 31, 2022, the Corporation participated in directors' and officers' liability insurance coverage of \$1,000,000 for the benefit of all the directors and officers of the Corporation in such capacity and as a group. The premium cost paid by the Corporation for directors' and officers' liability insurance for this period was \$43,847.36. The coverage contains a deductible of \$250,000 payable by the Corporation for any loss.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information regarding compensation plans, previously approved by Shareholders, under which securities of the Corporation are authorized for issuance in effect as of the end of the Corporation's most recently completed financial year ended December 31, 2022:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Stock options under equity compensation plans approved by Shareholders (1)	5,495,000	\$0.49	1,619,312

#### **Note:**

(1) The Corporation's maximum number of securities available for issue under the Equity Incentive Plan is 10% of the issued and outstanding Common Shares of the Corporation or 7,114,312 (10% of 71,143,124) As of December 31, 2022, stock options to purchase an aggregate of 5,495,000 Common Shares were outstanding, representing approximately 7.7% of the issued and outstanding Common Shares on such date; As a result, stock options under the Corporation's Equity Incentive Plan to

purchase/receive a total of 1,619,312 Common Shares, representing approximately 2.3% of the total issued and outstanding Common Shares, were available for grant as of December 31, 2022.

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

No director, executive officer or senior officer of the Corporation, or proposed nominees for election as directors or associates of such persons, is indebted to the Corporation or to any of its subsidiaries.

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

Other than as set out herein, to the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2022, or has any interest in any material transaction in the current year other than as set out herein.

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

Other than as set forth herein, 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:

- (a) has acted as a director or executive officer of the Corporation or a subsidiary of the Corporation since the beginning of the Corporation's most recently completed financial year;
- (b) is a proposed nominee for election as a director of the Corporation; or
- (c) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

### **MANAGEMENT CONTRACTS**

No management functions of the Corporation or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation or subsidiaries, except as disclosed herein.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may also contact the Corporation at 620, 10180 - 101 Street, Edmonton, Alberta T5J 3S4.

Financial information is provided in the Corporation's comparative financial statements and Management's Discussion & Analysis for its most recently completed financial year ended December 31, 2022, which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).



## SCHEDULE "A"

### CARBEEZA INC. 2022 STOCK OPTION PLAN

#### 1. PURPOSE; ELIGIBILITY.

**1.1 General Purpose.** The name of this plan is the Carbeeza Inc. 2023 Stock Option Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Carbeeza Inc. and any of its successors or any Subsidiary to attract and retain the types of Employees, Consultants, Officers, and Directors who will contribute to the Company's long-term success; (b) provide incentives that align the interests of Employees, Consultants, Officers and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.

**1.2 Eligible Award Recipients.** The persons eligible to receive Awards are Directors, Officers, Employees, Management Company Employees or Consultants of the Company or any Subsidiary.

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

**1.3 Available Awards.** Options may be granted under the Plan.

#### 2. DEFINITIONS.

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority or securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder.

"**Award**" means any Option granted under the Plan.

"**Award Agreement**" means a written agreement, contract, certificate, or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan, that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Beneficiary**" means, subject to Applicable Law, any Person designated by a Participant by written instrument filed with the Company, in such form as may be approved from time to time by the Company, to receive the benefits under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate.

## SCHEDULE "A"

- 2 -

**"Blackout Period"** means, with respect to any Person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such Person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

**"Board"** means the Board of Directors of the Company, as constituted at any time.

**"Business Day"** means any day on which the Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for business.

**"Cause"** means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (a) if the Participant is a party to an employment or service agreement with the Company or any Subsidiary and such agreement provides for a definition of Cause, the definition contained therein; or
- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment or services agreements without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the conviction of an indictable offence; (ii) material fiduciary breach with respect to the Company or any Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of any Applicable Law; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or any Subsidiary or to act in accordance with the reasonable direction of the Company or any Subsidiary.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (a) gross misconduct or neglect;
- (b) willful conversion of corporate funds; or
- (c) false or fraudulent misrepresentation inducing the Director's appointment.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

**"Change in Control"** means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

## SCHEDULE "A"

- 3 -

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned Subsidiary of the Company) thereafter acquires the direct or indirect "beneficial ownership" (as defined in *the Business Corporations Act* (Alberta)), or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned Subsidiary of the Company);
- (c) the date which is 10 Business Days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly owned Subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned Subsidiary of the Company);
- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or
- (f) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election,

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization.

**"Committee"** means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

**"Common Share"** means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

**"Company"** means Carbeeza Inc., and any successor thereto.

**"Company Group"** means the Company and its Subsidiaries.

## SCHEDULE "A"

- 4 -

**"Constructive Dismissal"**, unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change that is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation, except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer; provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal, only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

**"Consultant"** means an individual (other than an Employee, officer or director of the Company or a Subsidiary of the Company), or an entity that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its Subsidiaries, other than services provided in relation to a distribution;
- (b) provides the services under a written contract between the Company or any of its Subsidiaries and the individual or the Company, as the case may be; and
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its Subsidiaries.

**"Continuing Entity"** has the meaning set forth in Section 10.2.

**"Continuous Service"** means that the Participant's service with the Company or a Subsidiary, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or a Subsidiary as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of a Subsidiary will not constitute an interruption of Continuous Service. The Committee or its delegate, acting reasonably and in good faith, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 8.6. The Committee or its delegate, acting reasonably and in good faith, may determine whether a Company transaction, such as a sale or spin-off of a division or Subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

**"Control Period"** means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control.

## SCHEDULE "A"

- 5 -

**"Director"** means a member of the Board.

**"Disability"** means, unless an employment agreement or the applicable Award Agreement provides otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability, or similar cause, to fulfill their obligations as an Employee, Consultant, officer or Director of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Subsidiary in which a Participant participates.

**"Discounted Market Price"** has the meaning given to such term in TSXV Policy 1.1,

**"Effective Date"** means the effective date of this Plan, being September 27, 2023 or such other date as permitted by the Exchange.

**"Eligible Person"** means any Director, Officer, Employee or Consultant of the Company or a Subsidiary.

**"Employee"** means:

- (a) an individual who is considered an employee of the Company or a Subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) an individual who works full-time for an Company or a Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or Subsidiary over the details and methods of work as an employee of the Company or Subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company or a Subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by Company or a Subsidiary over the details and methods of work as an employee of the Company or a Subsidiary, as the case may be, but for whom income tax deductions are not made at source.

**"Employer"** means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

**"Exchange"** means the TSXV.

## SCHEDULE "A"

- 6 -

**"Expiry Date"** has the meaning set forth in Section 6.2.

**"Fair Market Value"** means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the weighted average trading price of a Common Share on the Exchange during the last five trading days prior to that particular date on which at least a board lot of Common Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; provided, however, that if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the weighted average trading price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate) or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons.

**"Grant Date"** means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

**"Insider"** has the meaning attributed thereto in the TSXV Policy 1.1, as amended, supplemented or replaced from time to time.

**"ITA"** means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

**"Investor Relations Activities"** has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time.

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

**"Leave of Absence"** means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

**"Management Company Employee"** means an individual employed by a company providing management services to the Company or Subsidiary, which services are required for the ongoing successful operation of the business enterprise of the Company or Subsidiary.

**"Net Exercise"** has the meaning set forth in Section 6.6.

Schedule "A"

- 7 -

**"Notice of Exercise"** means a notice in a form determined by the Board from time to time.

**"Officer"** has the meaning attributed thereto in the *Securities Act* (Alberta), as amended, supplemented or replaced from time to time.

**"Option"** means Stock Option granted to Participant pursuant to the Plan.

**"Option Exercise Price"** means the price at which a Common Share may be purchased upon the exercise of an Option.

**"Optionholder"** means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

**"Participant"** means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award in accordance with this Plan.

**"Participant Information"** has the meaning set forth in Section 12.14.

**"Permitted Reorganization"** means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.

**"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

**"Plan"** means this Carbeeza Inc. 2023 Stock Option Plan, as amended and/or amended and restated from time to time.

**"Retirement"** or **"Retire"** means, unless otherwise defined in the Participant's employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable regulations of the jurisdiction of their employment or such earlier retirement age, with consent of the Employer, if applicable.

**"Stock Option"** means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

**"Subsidiary"** means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

**"Substitute Award"** has the meaning set forth in Section 4.5.

**"Substitution Event"** means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

**"Take-Over Bid"** means a take-over bid as defined in National Instrument 62-104 - *Take-over Bids and Issuer Bids*, as amended from time to time.

## SCHEDULE "A"

- 8 -

**"Termination of Continuous Service"** means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or a Subsidiary for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or a Subsidiary shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Subsidiary, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or a Subsidiary, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

**"Total Share Reserve"** has the meaning set forth in Section 4.1.

**"Trading Day"** means a day when trading occurs through the facilities of the TSXV.

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

**"TSXV Market Price"** means the closing price of the Common Shares on the TSXV on the last Trading Day preceding the Grant Date, or if the Common Shares of the Company are not listed on any stock exchange, the value as is determined solely by the Committee, acting reasonably and in good faith.

**"TSXV Policy"** means the TSXV Corporate Finance Policies.

**"Vesting Date"** means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

**"VWAP"** means the volume weighted average trading price of the Common Shares on the TSXV calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Stock Option, subject to the proviso that the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

### **3. ADMINISTRATION.**

**3.1 Authority of Committee.** The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

- (a) to construe and interpret the Plan and apply its provisions;



SCHEDULE "A"

- 9 -

- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
- (e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;
- (f) to determine the number of Common Shares to be made subject to each Award;
- (g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;
- (h) subject to the limitations of the Plan, to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under their Award or creates or increases a Participant's income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;
- (i) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;
- (j) to make decisions with respect to outstanding Awards that may become necessary upon a Change in Control or an event that triggers anti-dilution adjustments;
- (k) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (l) subject to Applicable Law, to delegate to any Director or Employee such duties and powers relating to the Plan as it may see fit;
- (m) to seek recommendations from the Chairman or from the Chief Executive Officer of the Company;
- (n) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and
- (o) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

## SCHEDULE "A"

- 10 -

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing or extension of the term of an Option, security holder approval shall be required before the repricing or extension of the term of an Option is effective. At all times when the Company is listed on the TSXV, for any reduction in the exercise price, or extension of the term, of any Option granted under this Plan held by an Insider, such required shareholder approval must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV.

- 3.2 Committee Decisions Final.** All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Company and the Participants.
- 3.3 Delegation.** The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "Committee" shall apply to any Person or Persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.
- 3.4 Committee Composition.** Except as otherwise determined by the Board, the Committee shall consist solely of two or more non-Employee Directors. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not non-Employee Directors the authority to grant Awards to Eligible Persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more non-Employee Directors.
- 3.5 Indemnification.** In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including legal fees, actually incurred in connection with any action, suit or proceeding, or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been

## SCHEDULE "A"

- 11 -

approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company or, in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within 60 days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

### **4. SHARES SUBJECT TO THE PLAN.**

- 4.1** Subject to adjustment in accordance with Section 9, the aggregate number of Common Shares reserved for issuance upon the exercise or redemption of all Awards granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares as at the time of the applicable Stock Option grant, or such other number or percentage as may be approved by the Stock Exchange and the shareholders of the Company from time to time; provided that at all times when the Company is listed on the TSXV, the shareholder approval referred to herein may be required to be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV. (collectively, the "**Total Share Reserve**").

At all times when the Company is listed on the TSXV, the Company shall seek annual TSXV and shareholder approval for this hybrid "rolling up to 10%" Plan in conformity with TSXV Policy 4.4.

Should the Company issue additional Common Shares in the future, the number of Common Shares issuable under the Plan pursuant to Stock Options will increase accordingly. The Plan is considered an "evergreen" plan, since the Common Shares covered by Stock Options which have been exercised shall be available for subsequent grants under the Plan and the number of Stock Options available to grant increases as the number of issued and outstanding Common Shares of the Company increases. For the purposes of this Section 4.1, in the event that the Company cancels or purchases to cancel any of its issued and outstanding Shares ("Cancellation") and as a result of such Cancellation the Company exceeds the limit set out in this Section 4.1, no approval of the Company's shareholders will be required for the issuance of Common Shares on the exercise of any Awards which were granted prior to such Cancellation.

- 4.2** During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards.
- 4.3** Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares or shares reacquired by the Company in any manner.
- 4.4** Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan.
- 4.5** Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("**Substitute**").

## SCHEDULE "A"

- 12 -

**Awards**"). Substitute Awards shall not be counted against the Total Share Reserve. Subject to applicable stock exchange requirements, available shares under a security holder approved plan of an entity directly or indirectly acquired by the Company or with which the Company combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

### **5. ELIGIBILITY.**

**5.1 Eligibility for Specific Awards.** Awards may be granted to Directors, Officers, Employees, Management Company Employees or Consultants of the Company or any Subsidiary.

**5.2 Insider Participation Limits.** The grant of Awards under the Plan is subject to the following limitations:

- (a) the maximum aggregate number of Common Shares that are issuable pursuant to Options, and all other security based compensation, granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding shares at any point in time (unless "disinterested" shareholder approval is obtained in compliance with the applicable policies of the TSXV); and
- (b) the maximum aggregate number of Common Shares that are issuable pursuant to Options, and all other 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 shares, calculated as at the date any Option or other security based compensation is granted or issued to any Insider (unless "disinterested" shareholder approval is obtained in compliance with the applicable policies of the TSXV).

**5.3 Additional TSXV Limits.** In addition to the requirements in Section 4 and this Section 5, and notwithstanding any other provision of this Plan, at all times when the Company is listed on the TSXV:

- (a) the maximum aggregate number of Common Shares issuable pursuant to Options, and all other security based compensation, grants to any one Person in any 12 month period must not exceed 5% of the issued and outstanding shares, calculated on the date the Option or other security based compensation is granted or issued to the Person (unless "disinterested" shareholder approval is obtained in compliance with the applicable policies of the TSXV).
- (b) the maximum aggregate number of Common Shares issuable pursuant to Options, and all other security based compensation, granted to any one Consultant in any 12-month period must not exceed 2% of the issued and outstanding shares, calculated on the date of grant or issuance.
- (c) The aggregate number of Options granted to all Investor Relations Service Providers must not exceed 2% of the issued shares and outstanding shares of the Issuer in any 12-month period.

- (d) Stock Options granted to any Investor Relations Service Provider must vest in a period of not less than 12 months from the Grant Date of the Award such that:
- (i) no more than 1/4 of the Stock Options vest no sooner than three months after the Stock Options were granted;
  - (ii) no more than another 1/4 of the Stock Options vest no sooner than six months after the Stock Options were granted;
  - (iii) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and
  - (iv) the remainder of the Stock Options vest no sooner than 12 months after the Stock Options were granted.

## **6. OPTION PROVISIONS.**

**6.1 Award Agreement.** Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6.

**6.2 Term.** No Option shall be exercisable after the expiration of 10 years from the Grant Date or such shorter period as set out in the Optionholder's Option Agreement ("**Expiry Date**"), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period.

**6.3 Exercise Price of an Option.** The Option Exercise Price of each Option shall be fixed by the Committee on the Grant Date and will not be less than: (i) the 100% of the Fair Market Value of the Common Shares as of the Grant Date; or (ii) if the Common Shares are listed on the TSXV, the Discounted Market Price, subject to all applicable regulatory requirements. The Exercise Price shall be stated and payable in Canadian dollars.

**6.4 Manner of Exercise.** A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise, signed by the Optionholder or, their legal personal representative, subject to Section 6.6, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either in cash or by certified cheque, bank draft or money order payable to the Company, or by such other means as might be specified from time to time by the Committee. Subject to Section 7, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

**6.5 Surrender of Option.** As an alternative to the exercise of an Option pursuant to Section 6.4, an Optionholder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove of the election of the Optionholder to surrender any vested Option pursuant to this Section 6.5. If the Committee disapproves of the election, the Optionholder may (i) exercise the Option under Section 6.4, or (ii) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Company shall make the cash payment to the Optionholder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 6.5 shall be payable in Canadian dollars.

**6.6 Net Exercise of Options.** Generally, the exercise price of a Stock Option should be paid in cash. However, Options may be exercised in accordance with the Net Exercise method described below if requested by an Optionholder and approved by the Committee, in its discretion.

"**Net Exercise**" means, and may be effected for Optionholders other than Investor Relations Service Providers, a process whereby Options are exercised without the Optionholder making any cash payment to the Company, such that the Company does not receive any cash in payment of the applicable Option Exercise Price, and instead the Optionholder receives only the number of Common Shares underlying the applicable Options as is equal to the quotient obtained by dividing:

- (a) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by
- (b) the VWAP of the underlying Common Shares.

For greater certainty, the Net Exercise method for exercising Options shall be subject to all other provisions of the Plan, including, without limitation, Section 8.9.

**6.7 Vesting of Options.** Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

**6.8 Termination of Continuous Service.** Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided

that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause by the Company.

- 6.9 Disability or Leave of Absence.** Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of Disability or the Optionholder is on a Leave of Absence, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time until the Option's Expiry Date.
- 6.10 Death.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, any Option held by the Optionholder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 6.11 Retirement.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the third anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 6.12 Resignation.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation, then:
- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
  - (b) the vested part of any Option held by the Optionholder may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 60<sup>th</sup> day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 6.13 Termination Without Cause.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the 60<sup>th</sup> day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

**6.14 Termination Following Change in Control.** Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Optionholder's employment with the Company Group is terminated by the:

- (a) Employer or by the entity that has entered into a valid and binding agreement with the Company and/or other members of the Company Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
- (b) Optionholder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Optionholder shall become fully vested and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date; and (ii) the 90<sup>th</sup> day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

## **7. COMPLIANCE WITH APPLICABLE LAWS.**

The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Company shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

## **8. MISCELLANEOUS.**

**8.1 Acceleration of Exercisability and Vesting.** Subject to the limitations in this Plan, including Section 5.3(d) for Stock Options granted to Investor Relations Service Providers, and compliance with TSXV Policy 4.4, the Committee shall otherwise have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

**8.2 Non-Transferability of Awards.** Awards shall not be transferable or assignable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the holder of the Award only by such holder.



- 8.3 Representation Regarding Eligible Persons.** All Award Agreements representing any Awards granted pursuant to this Plan must contain a representation of the Company that such Director, officer, Employee or Consultant, as the case may be, is a bona fide Director, officer, Employee or Consultant of the Company or a Subsidiary.
- 8.4 Shareholder Rights.** Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 9 hereof.
- 8.5 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or a Subsidiary in the capacity in effect at the time the Award was granted or shall affect the right of the Company or a Subsidiary to terminate (a) the employment of an Employee with or without notice and with or without Cause, or (b) the service of a Director pursuant to the by-laws of the Company or a Subsidiary (as the case may be), and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.
- 8.6 Transfer; Leave of Absence.** For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- 8.7 Conformity to Plan.** In the event that an Award is granted or an agreement evidencing an Award is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- 8.8 Hold Period.** In the event that the Common Shares are listed on the TSXV, the granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the TSXV Market Price shall be subject to a four-month hold period in compliance with the applicable policies of the TSXV.
- 8.9 Withholding Obligations.** It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, subject to the discretion of the Board and the Participant, the Participant may:

- (a) pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
- (b) authorize a securities dealer designated by the Company, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (c) make other arrangements acceptable to the Company to fund the Applicable Withholding Taxes.

**9. ADJUSTMENTS UPON CHANGES IN CAPITAL.**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Board, subject to prior acceptance of the Exchange, will make such proportionate adjustments, if any, as the Board, acting reasonably and in good faith, deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; and (iv) the Exercise Price of any outstanding Options; provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 9 shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

**10. EFFECT OF CHANGE IN CONTROL.**

**10.1** Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, the Committee may, but shall not be obligated to:

- (a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of any Award;
- (b) upon at least ten days' advance notice to the affected persons, cancel Awards and cause to be paid to the holders of vested Awards the value of such Awards, if any, as determined by the Committee, in its sole discretion, it being understood that in the case of any Option with an Option Exercise Price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration therefor;

- (c) provide for the issuance of Substitute Awards or the assumption or replacement of such Awards; or
- (d) provide written notice to Participants that for a period of at least ten days prior to the Change in Control, such Awards shall be exercisable, to the extent applicable, as to all Common Shares subject thereto and, upon the occurrence of the Change in Control, any Awards not so exercised shall terminate and be of no further force and effect.

To the extent practicable, any actions taken by the Committee under the immediately preceding Section 10.1(a) and Section 10.1(b) shall occur in a manner and at a time that allows affected Participants the ability to participate in the Change in Control that is not a Substitution Event or Permitted Reorganization with respect to the Common Shares subject to their Awards.

**10.2 Substitution Event or a Permitted Reorganization.** Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options for the Options outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received, and the amount that the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement exceeds the aggregate exercise price of such securities under the Continuing Entity options shall not be greater than the amount the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement exceeds the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions of section 7(1.4) of the ITA.

In the event that:

- (a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 10.2;
- (b) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (c) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or
- (d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board,

effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 10.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization.

**10.3** The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Subsidiaries, taken as a whole.

**10.4** In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least ten days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Company in the event. In the case of any Option with an exercise price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration for it.

**11. AMENDMENT OF THE PLAN AND AWARDS.**

**11.1 Amendment of Plan and Awards.** The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

(a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:

- (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (ii) amendments necessary to comply with the provisions of Applicable Law (including, without limitation, the rules, regulations and policies of the Exchange);
- (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
- (iv) amendments to the vesting provisions of this Plan or any Award;
- (v) any amendment to add or amend provisions relating to the granting of cash- settled awards, provision of financial assistance or clawbacks and

Schedule "A"

- 21 -

- any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
- (vi) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award;
  - (vii) amendments necessary to suspend or terminate this Plan; and
  - (viii) any other amendment that does not require shareholder approval under Section 11.1(b).
- (b) Security holder approval will be required for the following types of amendments:
- (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 9;
  - (ii) any amendment to this Plan that extends the expiry date, redemption date or settlement date, as applicable, of any Award to later than ten (10) Business Days after the expiry of the Blackout Period;
  - (iii) any amendment that would result in the Exercise Price for any Stock Option granted under this Plan being lower than: (i) the Fair Market Value at the Grant Date of the Stock Option; or (ii) if the Common Shares are listed on the TSXV, the Discounted Market Price; and security holder approval shall be required for any subsequent amendment thereto resulting in such pricing being lower than the Discounted Market Price;
  - (iv) any amendment to remove or to exceed the Insider participation limit set out in herein;
  - (v) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 10, Section 10.1, or Section 10.2;
  - (vi) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2;
  - (vii) any amendment to the amendment provisions;
  - (viii) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
  - (ix) amendments required to be approved by security holders under Applicable Law (including the rules, regulations and policies of the Exchange).

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 11.1(b)(iv), Section 11.1(b)(v) (if any such Award is held by an Insider) and Section 11.1(b)(vi)(if any such Award is held by an Insider) above must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV.

**11.2 Additional Approvals when Listed on TSXV.** Notwithstanding any other provision of this Plan, at all times when the Company is listed on the TSXV, the Company shall be required to obtain prior TSXV acceptance of any amendment to this Plan except for an amendment to (i) reduce the number of Common that may be issued under an Stock Option; (ii) increase the exercise price of a Stock Option; or (iii) cancel a Stock Option.

**11.3 No Impairment of Rights.** Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant, and (b) the Participant consents in writing.

12. General Provisions.

**12.1 Forfeiture Events.** The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

**12.2 Other Compensation Arrangements.** Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

**12.3 Sub-Plans.** The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

**12.4 Unfunded Plan.** The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

**12.5 Recapitalizations.** Each Award Agreement shall contain provisions required to reflect the provisions of Section 9.

- 12.6 Delivery.** Upon exercise of an option granted under this Plan, the Company shall issue Common Shares within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.
- 12.7 No Fractional Shares.** No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.
- 12.8 Other Provisions.** The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.
- 12.9 Beneficiary Designation.** Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.
- 12.10 Expenses.** The costs of administering the Plan shall be paid by the Company.
- 12.11 Severability.** The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision, and any invalid or unenforceable provision shall be severed from the Plan.
- 12.12 Plan Headings.** The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.
- 12.13 Non-Uniform Treatment.** The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.
- 12.14 Participant Information.**
- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
  - (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan, provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company

may also transfer and provide access to Participant Information for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 12.14(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

**12.15 Priority of Agreements.** In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

**13. EFFECTIVE DATE OF PLAN.**

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date

**14. GOVERNING LAW.**

The Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of Carbeeza Inc. on August 12, 2022.

**As approved by the shareholders of Carbeeza Inc. on September 27, 2022.**



## SCHEDULE "B"

### AUDIT COMMITTEE CHARTER CARBEEZA INC.



### CHARTER OF THE AUDIT COMMITTEE

#### 1. PURPOSE

The purpose of the audit committee (the "**Committee**") of the board of directors (the "**Board**") of Carbeeza Inc. (the "**Company**") is to:

- (a) assist the Board in fulfilling its responsibility to oversee the Company's accounting and financial reporting processes and audits of the Company's financial statements;
- (b) review the Company's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls;
- (c) review the Company's annual and interim financial statements, management's discussion and analysis and news releases relating to the financial performance, financial position or analysis thereon before public release;
- (d) serve as an independent and objective party to monitor the Company's financial reporting processes and internal control systems;
- (e) recommend to the Board the appointment of the external auditors, to be approved by the shareholders, as well as the compensation and retention (and where appropriate, replacement) of the external auditors;
- (f) oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor;
- (g) receive direct reports from the external auditor and resolve any disagreements between management and the external auditor regarding financial reporting;
- (h) review the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (i) carry out the specific responsibilities set forth below in furtherance of this stated purpose.

## 2. COMPOSITION AND TERM

Committee members shall be appointed by the Board, and shall serve at the pleasure of the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. The Board shall designate one member as chair of the Committee (the "**Chair**").

The Committee shall be comprised of three or more directors, the majority of whom shall be "independent" and "financially literate", as required by and defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), subject to any exceptions permitted under NI 52-110.

## 3. MANDATE AND RESPONSIBILITIES

The Committee's role is one of oversight of the integrity of the Company's accounting and financial reporting processes, including internal controls over financial reporting and disclosure control procedures. It is recognized that the Company's management is responsible for preparing the financial statements and notes thereto and that the Company's external auditor is ultimately accountable to the Board and the Committee, as representatives of the shareholders and other stakeholders, for providing an audit opinion on the financial statements and notes.

The mandate and responsibilities of the Committee are as follows:

- (a) Appointment of external auditor. The Committee shall have direct responsibility for overseeing the independence of the external auditor, recommending the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any accounting firm selected to be the Company's external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, and to review the performance of the external auditors.
- (b) Appointment of Chief Financial Officer and internal auditor. The Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and the manager of the Company's internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.
- (c) Accounting policies. The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Company's accounting policies, and discuss with the external auditor how the Company's accounting policies compare with those in the industry. The Committee shall discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles, including all critical accounting policies and estimates used, any alternate treatment of financial information that have been discussed with management, the consequences of use of such alternative treatments and the auditor's preferred treatment, as well as any other material communications with management.
- (d) Pre-approval of all audit services and permitted non-audit services. The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Company by the external auditor, together with approval of the engagement letter for all non-audit services and estimated

SCHEDULE "B"

- 3 -

fees thereof; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted by applicable securities regulators shall not be deemed unauthorized and as permitted under the rules of professional conduct of the Chartered Professional Accountants of Alberta.

- (e) Annual audit. In connection with the annual audit of the Company's financial statements, the Committee shall:
- (i) request from the external auditor a formal written statement outlining all relationships between the external auditor and the Company;
  - (ii) discuss with the external auditor any disclosed relationships and their impact on the external auditor's objectivity and independence, and take appropriate action to oversee the independence of the external auditor;
  - (iii) approve the selection and the terms of the engagement of the external auditor;
  - (iv) review with management and the external auditor the audited financial statements to be filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and review and consider with the external auditor the matters required to be discussed under applicable statements of auditing standards;
  - (v) perform the procedures set forth under the heading "Financial reporting procedures" below with respect to the annual financial statements;
  - (vi) review with the Company's counsel, external auditors and management any legal or regulatory matter that could have a significant impact on the Company's financial statements;
  - (vii) review and make recommendations with respect to any litigation, claim or contingency that could have a material effect upon the financial position of the Company and the appropriateness of the disclosure thereof in the documents reviewed by the Committee; and
  - (viii) review with management and the external auditor the Company's critical accounting policies and estimates.
- (f) Financial reporting procedures. In connection with the Committee's review of each reporting of the Company's annual financial information, the Committee shall:
- (i) discuss with the external auditor whether all material correcting adjustments identified (if any) by the external auditor in accordance with IFRS and the rules of the applicable securities regulators, as may be amended from time to time, are reflected in the Company's financial statements;
  - (ii) review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences (if any);

## SCHEDULE "B"

- 4 -

- (iii) review with management and the external auditor any significant financial or other arrangements of the Company which do not appear on the Company's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements; and
- (iv) resolve any disagreements, if any, between management and the external auditor regarding financial reporting.
- (g) Review of Interim Financial Statements and related documents. The Committee shall review the interim financial statements and related management's discussion and analysis with the auditor and management, and if satisfied that the interim financial statements and related management's discussion and analysis meet the applicable accounting and legal standards, recommend to the Board that it approve the interim financial statements and accompanying management's discussion and analysis.
- (h) Review of Other Documents. The Committee shall ensure all material public documents relating to the financial performance, financial position or analysis thereon are reviewed by the Committee or another appropriate committee, as designated by the Board. Such documents would include, but not be limited to, interim financial statements and the annual information form (if any). In certain cases, involving timing constraints to file disclosure documents, the Committee may designate the responsibility for review to any two members of the Committee. The Committee shall review and monitor practices and procedures adopted by the Company to ensure compliance with applicable listing requirements, laws, regulations and other rules, and where appropriate, make recommendations or reports thereon to the Board.
- (i) Insurance coverage. The Committee shall review and make recommendations regarding insurance coverage (annually or as may be otherwise appropriate).
- (j) Charter. The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **4. MEETINGS AND PROCEDURES**

### **4.1 Meetings**

The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair. The Committee shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter.

### **4.2 Quorum**

Unless otherwise determined by the Committee, two or more members of the Committee shall constitute a quorum.

#### **4.3 Attendance**

The Committee may invite such officers, directors or employees of the Company, external auditors, insurance agents and brokers, financial, technical or legal advisors, or other persons as it sees fit, from time to time, to attend at meetings of the Committee and to assist in the discussion of matters being considered by the Committee.

#### **4.4 Chair**

The Chair shall preside at all meetings of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised. In case of an equality of votes on any matter voted on by the Committee, the Chair shall have a second casting vote.

#### **4.5 Decisions**

Decisions of the Committee (by way of majority votes) shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all of the members of the Committee.

#### **4.6 Secretary and Minutes**

The Chair shall appoint a secretary for each meeting to keep minutes of such meeting. The minutes of the Committee will be in writing and duly entered into the books of the Company. The minutes of the Committee will be circulated to all members of the Board, redacted as may be determined necessary by the Chair to remove any sensitive personnel information not otherwise material to the Board.

#### **4.7 Authority to Engage Advisors**

The Committee shall have the authority to engage, at the expense of the Company, such outside advisors as it determines necessary or advisable to carry out its duties, including legal, financial, tax, technical and accounting advisors, and establish the compensation of such advisors.

#### **4.8 Reporting to the Board**

The Committee shall report to the Board on such matters and questions relating to the mandate and activities of the Committee as the Committee may deem appropriate or as the Board may from time to time request or refer to the Committee.

#### **4.9 Complaints**

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish and maintain procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

## 5. RESOURCES AND AUTHORITY

The Committee is granted all authority required by NI 52-110, including without limitation the authority to:

- (a) investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company;
- (b) engage independent legal, tax, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties and set and pay the compensation for any advisors so engaged; and
- (c) communicate directly with the external auditors (and internal auditors, if any).

The Committee may request any officer or employee of the Company or the Company's counsel or other advisors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Company shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any external auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

**This Charter is not intended to give rise to civil liability or legally binding obligation on the part of the Committee, the Company or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.**

Effective Date: August 3, 2021

**SCHEDULE "C"**  
**AMENDED BYLAWS OF CARBEEZA INC.**

**BYLAW NO. 1**

A bylaw relating generally to the transaction of the business and affairs  
of

**CARBEEZA INC.**

(hereinafter referred to as the "**Corporation**")

**DIRECTORS**

**1. Calling of and Notice of Meetings**

Meetings of the board shall be held at such time and on such day as the Chairman of the Board, Chief Executive Officer or Vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than forty-eight hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the election and appointment of officers immediately following the meeting of shareholders at which such board was elected, provided a quorum of directors is present.

**2. Votes to Govern**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes no person shall be entitled to a second or casting vote.

**3. Quorum**

A majority of directors shall constitute a quorum for the transaction of business at any meeting of directors.

**4. Interest of Directors and Officers Generally in Contracts**

No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the *Business Corporations Act* (Alberta).

**ADVANCE NOTICE OF NOMINATION OF DIRECTORS**

**5. Nomination Procedures**

Subject to the provisions of the *Business Corporations Act* (Alberta), applicable securities laws and the articles of the Corporation, only those individuals nominated in accordance with the procedures set out in this bylaw shall be eligible for election to the Corporation's board of directors (the "**Board**"). Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special

## SCHEDULE "C"

- 2 -

meeting of shareholders called for any purpose, which includes the election of directors, as follows:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the *Business Corporations Act* (Alberta) or a requisition of shareholders meeting by one or more shareholders made in accordance with the *Business Corporations Act* (Alberta); or
- (c) by any person (a "**Nominating Shareholder**") who:
  - (i) at the close of business on the date of giving the nomination notice and on the record date for determining shareholders entitled to vote at such meetings, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meetings or who beneficially owns shares that are entitled to be voted at such meeting; and
  - (ii) complies with the notice procedures set forth in this bylaw.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the registered office of the Corporation in accordance with this bylaw.

### 6. **Timely Notice**

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

- (a) in the case of an annual meeting of shareholders, not less than 30 days before the date of such meeting; provided that, if: (i) an annual meeting is called for a date that is less than 50 days after the meeting notice date, notice by the Nominating Shareholder shall be made not less than the close of business on the 10<sup>th</sup> day after the meeting notice date, and (ii) the Corporation uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days before the date of the annual meeting; and
- (b) in the case of a special meeting of shareholders called for the purpose of electing directors (whether or not also called for the purpose of conducting other business), not later than the close of business on the 15<sup>th</sup> day after the meeting notice date.

### 7. **Nomination Notice Information**

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must disclose or include, as applicable:

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



SCHEDULE "C"

- 3 -

- (i) the name, age and business and residential address of the Proposed Nominee;
  - (ii) the principal occupation, business or employment of the Proposed Nominee, both at present and within the five years preceding the notice;
  - (iii) the number of securities of each class of securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) a description of any relationship, agreement, arrangement or understanding (including financial, compensatory or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person acting jointly or in concert with the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as a director;
  - (v) whether the Proposed Nominee is a party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Corporation and the interests of the Proposed Nominee;
  - (vi) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed from time to time by the principal stock exchange on which the securities of the Corporation are then listed for trading;
  - (vii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for the election of directors pursuant to the *Business Corporations Act* (Alberta) or applicable securities laws; and
- (b) as to each Nominating Shareholder:
- (i) the name, business and, if applicable, residential address of such Nominating Shareholder;
  - (ii) the number of securities of each class of voting securities of the Corporation (or any of its subsidiaries) beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder or any other person with whom such Nominating Shareholder is acting jointly or in concert (and, for each such person, any options or other rights to acquire shares in the capital of the Corporation, any derivatives or other securities, instruments or arrangements for which the value or delivery, payment or settlement obligations are derived from, referenced to or based on any such shares, and any hedging transactions, short positions and borrowing or lending arrangements

## SCHEDULE "C"

- 4 -

relating to such shares) with respect to the Corporation or any of its securities, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

- (iii) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which may be to alter, directly or indirectly, such Nominating Shareholder's economic interest in a security of the Corporation or such Nominating Shareholder's economic exposure to the Corporation;
  - (iv) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
  - (v) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination;
  - (vi) a representation as to whether such Nominating Shareholder intends to deliver a proxy circular and form of proxy to any shareholder of the Corporation in connection with the election of directors or otherwise solicit proxies of votes from shareholders of the Corporation in support of such nomination; and
  - (vii) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident information circular or other filings required to be made in connection with the solicitation of proxies for the election of directors pursuant to the *Business Corporations Act* (Alberta) or applicable securities laws; and
- (c) a written consent duly signed by each Proposed Nominee to being named as a nominee for election to the board to serve as a director of the Corporation, if elected.

### **8. Additional Information**

The Corporation may require any Proposed Nominee to furnish such other information as may be reasonably required to determine whether the Proposed Nominee would be considered "independent" under the relevant standards contemplated by applicable securities laws or any stock exchange rules that may be applicable to the Corporation.

### **9. Delivery of Notice**

Notwithstanding any other provision of this bylaw, a Nominating Shareholder's notice to the Secretary of the Corporation pursuant to this bylaw may only be given by personal delivery, nationally recognized overnight courier (with all fees prepaid), or certified or registered mail (in each case, return receipt requested, postage prepaid) to the registered office of the Corporation.

**10. Power of the Chair**

The Chair of any meeting of shareholders of the Corporation shall have the power to determine whether a nomination was made in accordance with this bylaw and, if any proposed nomination is not in compliance with this bylaw, to declare that such defective nomination shall not be disregarded.

- 11. Waiver.** The Board may, in its sole discretion, waive any of the requirements under Sections 5 through Section 9 of this bylaw.

**MEETINGS BY ELECTRONIC MEANS**

**12. Directors and Shareholders**

If the directors or shareholders of the corporation call a meeting, the directors or the shareholders may determine that the meeting shall be held entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**SHAREHOLDERS' MEETINGS**

**13. Quorum**

One shareholder or duly appointed proxyholder personally present shall constitute a quorum for a meeting of shareholders for the choice of a chairman and adjournment of the meeting. For all other purposes the quorum of a meeting of the shareholders shall be the shareholders or duly appointed proxyholders personally present not being less than one in number, and holding or representing by proxy, not less than five percent of the issued shares of the Corporation of the class or classes respectively enjoying voting rights at such meeting. Notwithstanding the foregoing, if the articles of the Corporation provide for a different quorum in respect of a meeting of shareholders of any class or series of shares, such provisions in the articles shall be incorporated into this bylaw and shall be deemed to govern the quorum requirements in respect of any such meeting

The Chief Executive Officer, or in his absence, the Chairman of the Board, if such an officer has been elected or appointed and is present, otherwise the Secretary (provided the Secretary is a shareholder of the Corporation), shall be chairman of any meeting of shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary of the Corporation is absent, the chairman of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman of the meeting with the consent of the meeting.

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

**INDEMNIFICATION****14. Indemnification of Directors and Officers**

The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the *Business Corporations Act* (Alberta).

**15. Indemnity of Others**

Except as otherwise required by the *Business Corporations Act* (Alberta) and subject to paragraph 7, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another corporation, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation, and with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, shall not, or in itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation, and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was not lawful.

**16. Right of Indemnity Not Exclusive**

The provisions for indemnification contained in the bylaws of the Corporation shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**17. No Liability of Directors or Officers for Certain Acts, etc.**

To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys,

securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

### **BANKING ARRANGEMENTS, CONTRACTS, ETC.**

#### **18. Banking Arrangements**

The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

#### **19. Execution of Instruments**

Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed by any one officer or director, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors is authorized from time to time by resolution to appoint any other officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this bylaw shall include share certificates, warrants, bonds, debentures or other securities or security instruments of the Corporation, deeds, mortgages, charges, conveyances, transfers and assignments of property and all kinds including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities and all paper writings.

#### **20. Voting Rights in Other Bodies Corporate**

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

**21. Method of Giving Notice**

Unless *the Business Corporations Act* (Alberta) or the Articles of the Corporation provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* (Alberta) or the Articles of the Corporation to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

**MADE the** \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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**Sandro Torrieri**  
Chief Executive Officer

**SCHEDULE "D"**  
**CONVERTIBLE DEBENTURE**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [•], 202•.**

**WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [•], 202•.**

**CARBEEZA INC.**

**UNSECURED CONVERTIBLE DEBENTURE**

**Due: [• •, 202•]**

**Principal Amount: [\$•,000]**

**Issue Date: [•, 201•]**

**Certificate No. [•]**

**WHEREAS** Carbeeza Inc., a corporation existing under the laws of the Province of Alberta (the "**Company**"), is indebted to Sandro Torrieri an individual resident in the City of Edmonton, in the Province of Alberta (together with his successors and permitted assigns, the "**Holder**") pursuant to the Promissory Notes (as hereinafter defined) in the aggregate principal amount of CDN\$708,218.95 including accrued interest at the rate of 12% per annum compounded quarterly as provided therein;

**WHEREAS** the Company has requested that the Holder make loan advances to the Company of up to \$2,500,000 the proceeds of which will be used in part to fully pay the amounts outstanding under the Promissory Notes;

**WHEREAS** the Holder has agreed to make the Initial Advance (as hereinafter defined) and, in the Holder's discretion, additional loan advances to the Company of up to \$2,500,000 in the aggregate (including the Initial Advance), on condition that the Company grant this Secured Convertible Debenture (this "**Debenture**") to the Holder.

**WHEREAS** the Company has obtained the requisite prior approval of the Company's shareholders, and the conditional acceptance of the Exchange (as defined herein), for this Debenture and the transactions contemplated herein in accordance with the requirements of applicable securities laws and Exchange rules and policies.

**FOR VALUE RECEIVED**, the Company, acknowledges itself indebted to the Holder for the Outstanding Principal Amount (as hereinafter defined) of up to the Maximum Principal Amount (as hereinafter defined), and hereby promises that, subject to and in accordance with the terms hereof, the Company shall on the earlier of demand and the Maturity Date (as hereinafter defined) or on such earlier date as the principal monies payable hereunder may become payable in accordance with the conditions attached hereto, (i) pay to the Holder the Outstanding Principal Amount, and (ii) pay to the Holder interest on the Outstanding Principal Amount, all as specifically calculated and provided herein.

This Debenture is issued subject to and with the benefit of the conditions attached hereto, which form part of this Debenture.

**NOW THEREFORE THIS DEBENTURE WITNESSES THAT:**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below:

**"this Debenture"**, **"the Debenture"**, **"hereto"**, **"hereby"**, **"hereunder"**, **"hereof"**, **"herein"** and similar expressions refer to this Debenture and not to any particular Article, section, subsection, clause, paragraph, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

**"Advance"** means an advance by the Holder to the Company under this Debenture, including the Initial Advance, up to the Maximum Principal Amount;

**"Affiliate"** means a related entity of the Company within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, as such instrument may be amended, supplemented or replaced from time to time;

**"Applicable Law"** means, in relation to any person, transaction or event (i) all applicable provisions of the common law and all laws, statutes, rules and regulations of any Governmental Authority in effect from time to time; and (ii) all judgments, orders, awards, decrees, official directives, policies or policy statements, writs and injunctions from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event;

**"Business Day"** means any day other than Saturday, Sunday or any statutory holiday in the City of Edmonton, Alberta;

**"Change of Control"** means:

- (a) a transaction whereby property constituting all or substantially all of the assets of the Company are sold, in one or more related transactions, to any Person or to a combination of Persons; or
- (b) an event or series of events (whether a share purchase, amalgamation, merger, reorganization, arrangement, consolidation or other business combination, formal bid or tender offer or otherwise), other than solely involving the Company and one or more of its Affiliates, by which any Person is or becomes the beneficial owner directly or indirectly of more than 20% or more of the combined voting rights of the then outstanding securities of the Company (for greater certainty, this shall not include a public offering or private placement out of treasury);

**"Common Shares"** means the common shares in the capital of the Company as such shares exist at the close of business on the date of execution of this Debenture; provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof, or successive such subdivisions, redivisions, reductions,



SCHEDULE "D"

- 3 -

combinations or consolidations, then subject to adjustments, if any, having been made in accordance with the provisions of Section 3.3, "**Common Shares**" shall thereafter mean the common shares resulting from such subdivision, redivision, reduction, combination or consolidation;

"**Company**" means Carbeeza Inc. and its successors and permitted assigns;

"**Conversion Date**" has the meaning attributed to such term in Subsection 3.2(b) of this Debenture;

"**Conversion Price**" means the dollar amount for which each Common Share may be issued upon the conversion of this Debenture in accordance with Section 3.1;

"**Debenture**" means this interest bearing secured debenture and any debenture issued in replacement, substitution or exchange, in whole or in part, of this Debenture;

"**dollars**" or "**\$**" shall mean dollars in the lawful currency of Canada;

"**Environmental Activity**" means any past, present or future activity, event or circumstance in respect of a Contaminant including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater;

"**Environmental Law**" means the common law and any and all applicable international, federal, provincial, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations, relating to the environment, occupational health and safety, or any Environmental Activity;

"**Event of Default**" has the meaning ascribed to such term in Section 5.1 of this Debenture;

"**Exchange**" means the TSX Venture Exchange or such other marketplace on which the Common Shares are principally traded;

"**Governmental Authority**" means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

"**Holder**" shall have the meaning ascribed to such term in the first paragraph of this Debenture and its successors and assigns;

"**Initial Advance**" means the initial advance made by the Holder under this debenture on the date hereof in the amount of \$708,218.95.

"**Interest**" shall have the meaning ascribed in Subsection 2.3(a) of this Debenture;

## SCHEDULE "D"

- 4 -

**"Maturity Date"** means December 31 2025;

**"Maximum Principal Amount"** means \$2,500,000;

**"Obligations"** means all present and future indebtedness and all performance obligations which may at any time be due and owing by the Company to the Holder under this Debenture and all other agreements, instruments and documents now or hereafter executed by or on behalf of the Company with respect to any of the foregoing, or any of the transactions contemplated thereby, whether now in existence or incurred hereafter, whether incurred directly or incurred by others and assumed by the Company, whether such indebtedness is absolute or contingent, matured or unmatured, direct or indirect, and whether the Company is liable for such indebtedness as principal, surety, endorser or otherwise, including all Advances up to the Maximum Principal Amount and interest thereon;

**"Outstanding Principal Amount"** means at any time and from time to time, the outstanding principal amount of the Advances;

**"Person"** means, unless specifically indicated otherwise, a corporation, incorporated organization, body corporate, partnership, trust or association or other entity or an individual;

**"Promissory Notes"** means the promissory notes issued on November 1, 2021 in the principal amount of Cdn\$250,000, the promissory note issued on May 19, 2023 in the principal amount of Cdn\$200,000 and the promissory note issued on September 29, 2013 in the principal amount of Cdn\$200,000, all bearing interest at a rate of 12% on a simple interest basis; payable to the Holder;

**"Tax"** means all present and future taxes, rates, levies, imposts, assessments, dues, government fees, stamp taxes, deductions, charges or withholdings, and all indebtedness with respect thereto, and any interest, additions to tax and penalties imposed with respect thereto, excluding, with respect to the Holder, taxes imposed on its income or capital and franchise taxes imposed on it by any taxation authority;

**"Unanticipated Event"** has the meaning attributed to such term in Subsection 3.3(b) of this Debenture;

### **1.2 Interpretation**

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

### **1.3 Meaning of "outstanding" for Certain Purposes**

This Debenture shall be deemed to be outstanding until it shall be cancelled or delivered to the Company for cancellation, or a new Debenture shall be issued in substitution therefore under Section 7.4, provided that where a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one such Debenture shall be counted for the purpose of determining the aggregate principal amount of Debenture outstanding.

**1.4 Headings**

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

**1.5 Business Day**

If the date upon which any principal or interest is payable by the Company, or upon which any other action is required to be taken by the Company hereunder, is not a business day, then such principal or interest shall be payable or such other action shall be taken on or by the next succeeding business day.

**ARTICLE 2  
TERMS OF DEBENTURE****2.1 Advances**

The Company acknowledges itself indebted to the Holder as of the date hereof in the principal amount of the Initial Advance being \$708,218.95. Upon written request by the Company, the Holder may, in its discretion, make additional Advances to the Company after the date hereof provided that the total of all Advances, including the Initial Advance, shall not exceed the Maximum Principal Amount. The Initial Advance shall be used firstly to repay in full amounts outstanding under the Promissory Notes, with the remaining proceeds of the Initial Advance and all other Advances to be used by the Company to finance the Company's exploration project including underground drilling and for general working capital purposes.

**2.2 Payment of Outstanding Principal Amount**

Subject to earlier acceleration following an Event of Default, conversion by the Holder pursuant to Section 3.2 prior to the Maturity Date, or pre-payment of the Outstanding Principal Amount and Interest pursuant to Section 2.5 prior to the Maturity Date, the Outstanding Principal Amount together with all accrued and unpaid Interest (including compounded interest) thereon shall be due and payable in lawful money of Canada on the earlier of written demand made by the Holder and the Maturity Date to the order of the Holder against surrender of the Debenture by the Holder hereof at the principal office of the Company. Payment of the Outstanding Principal Amount and any accrued Interest thereon to the Holder by the Company under this Debenture shall be made by a certified cheque, bank draft or wire transfer.

**2.3 Interest Bearing**

- (a) Interest shall accrue daily on the Outstanding Principal Amount of each Advance from the date of each Advance at a rate equal to 12% per annum ("**Interest**"), compounded monthly on the last day of each month. In the event of conversion of the Outstanding Principal Amount prior to or on the Maturity Date of the entire Outstanding Principal Amount, any accrued but unpaid Interest owing hereunder to the Conversion Date on the Outstanding Principal Amount shall be payable by the Company in cash or certified cheque to the Holder within 30 days of the Conversion Date. On the earlier of written demand and the Maturity Date, the Outstanding Principal Amount (unless the Outstanding Principal Amount is converted pursuant to Section 3.2), Interest (including compounded

## SCHEDULE "D"

- 6 -

interest) and other amounts owing hereunder, shall become immediately due and payable by the Company to the Holder in full.

- (b) For the purposes of the *Interest Act* (Canada): (i) any amount of interest or fees calculated herein on the basis of a period comprising less than the actual number of days in the calendar year and expressed as an annual rate is equal to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by the number of days in the period concerned; and (ii) all interest will be calculated using the nominal rate method and not the effective rate method.
- (c) In the event that any provision of this Debenture would oblige the Company to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Holder of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been retroactively adjusted to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the holder of interest at a criminal rate.

### **2.4 Right to Prepayment**

If no Event of Default has occurred, the Company shall have the option to prepay all or any portion of the Outstanding Principal Amount plus any accrued Interest. The Company shall notify the Holder in writing of its decision to exercise its prepayment option including particulars of the amount of the Outstanding Principal Amount the Company intends to prepay, and the Holder shall have 10 days from receipt of the notice to exercise the Holder's right of conversion of the Debenture (in whole or in part in respect of such Outstanding Principal Amount) or accept the prepayment.

### **2.5 Person Entitled to Payment**

- (a) The Holder shall be deemed and regarded as the owner hereof for all purposes and payment of or on account of the Outstanding Principal Amount and Interest shall be made only to or upon the order in writing of the Holder, and such payment shall be a good and sufficient discharge to the Company for the amounts so paid.
- (b) The payment of the Outstanding Principal Amount and Interest by the Company to the Holder shall be a good discharge to the Company in respect of its obligations hereunder. The Company shall not be bound to enquire into the title of the Holder, save as ordered by a court of competent jurisdiction or as required by statute. The Company shall not be bound to see to execution of any trust affecting the ownership of this Debenture nor be affected by notice of any equity that may be subsisting in respect thereof.

### **2.6 Transfer of Debenture**

This Debenture is non-negotiable and the Holder covenants and agrees that it cannot, and shall not, transfer, sell, assign or pledge this Debenture, without the prior written consent of the Company, acting reasonably, provided that the Holder may transfer this Debenture to an Affiliate in respect of which it is non arm's length. The Holder

acknowledges and agrees that any transfer, sale, assignment or pledging of this Debenture by it shall comply with the provisions of Applicable Law and any Governmental Authority having jurisdiction, as well as the Articles of the Company.

## **2.7 Withholding Tax**

Any and all payments by the Company to the order of the Holder under this Debenture shall be made free and clear of and without reduction or withholding for any Taxes, provided that if the Company shall be required by any applicable law to deduct any Taxes from such payments, then (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Holder will receive an amount equal to the sum it would have received had no such deductions been made; (b) the Company shall make such deductions; and (c) the Company shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

## **ARTICLE 3 CONVERSION OF DEBENTURE**

### **3.1 Conversion Right and Conversion Price**

The Holder shall have the right, at its option, at any time up to and including the Maturity Date, to convert the Outstanding Principal Amount of this Debenture (excluding accrued but unpaid Interest), in whole or in part, into Common Shares at a conversion price of \$0.20 per Common Share (the "**Conversion Price**").

### **3.2 Manner of Exercise of Right to Convert**

- (a) In order to convert the Outstanding Principal Amount in whole or in part into Common Shares, the Holder shall surrender this Debenture to the Company at its principal offices in the City of Edmonton, together with the Form of Conversion Election Notice attached hereto as Schedule "A", duly executed by the Holder or its attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Company, exercising the Holder's right to convert the Outstanding Principal Amount, in whole or in part, in accordance with the provisions of this Section 3.2. Thereupon the Holder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Company, its nominee(s) or assignee(s), shall be entitled to be entered in the books of the Company as at the Conversion Date as the registered holder of the number of Common Shares into which the Outstanding Principal Amount has been converted in accordance with the provisions of this Section 3.2 and, within five (5) Business Days, the Company shall deliver to the Holder or, subject as aforesaid, its nominee(s) or assignee(s), a certificate or certificates for such Common Shares and, if applicable, a cheque for any amount due and payable under Section 3.5.
- (b) For the purposes of this Section 3.2, if this Debenture is surrendered for conversion, it shall be deemed to be surrendered on the date (the "**Conversion Date**") on which it is received by the Company. If this Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the Person or Persons entitled to receive Common Shares in respect thereof shall

become the holder or holders of record of such Common Shares as at the date on which such registers are next reopened.

- (c) Any part of the Outstanding Principal Amount may be converted as provided in this Section 3.2 and all references to conversion of the Debenture shall be deemed to include conversion of such part. If only a part of this Debenture is converted, the Company will cancel this Debenture and shall without charge forthwith certify and deliver to the Holder a new Debenture in an aggregate principal amount equal to the unconverted part of the Outstanding Principal Amount.
- (d) The Company will from time to time promptly pay or make provision satisfactory to the Holder for the payment of any and all Taxes which may be imposed by applicable laws with respect to the issuance or delivery of the Common Shares to the Holder upon conversion of the Debentures.

### **3.3 Capital Reorganizations or Change of Management**

- (a) If and whenever at any time after the date hereof, and prior to the Maturity Date, the Company shall subdivide or re-divide its outstanding Common Shares, or reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares; the number of Common Shares issuable upon conversion of the Debenture, immediately prior thereto shall be adjusted so that the Holder shall be entitled to receive the kind and number of Common Shares which it would have owned or been entitled to receive after the happening of any of the events described in this Subsection 3.3(a), had such Debenture been converted immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this Subsection 3.3(a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.
- (b) On the occurrence of any event which is not addressed in Subsection 3.3(a) (the "**Unanticipated Event**"), the parties will, in good faith, make such further adjustments and changes and take all necessary actions so as to ensure that the Holder receives, upon the conversion of this Debenture occurring at any time after the date of occurrence of the Unanticipated Event, such shares, securities, rights or property that he would have received if, immediately prior to such date, it had been the registered holder of the number of Common Shares to which he would be entitled upon the conversion of this Debenture into Common Shares.

### **3.4 Rules Regarding Calculation of Adjustment of Conversion Rights**

For the purposes of Section 3.3:

- (a) The adjustments provided for in Sections 3.3(a) and 3.3(b) are cumulative and will be made successively whenever an event referred to therein occurs.
- (b) If at any time a dispute arises with respect to adjustments provided for in Sections 3.3(a) or 3.3(b), such dispute will be conclusively determined by the directors of the Company and any such determination will be binding upon the Company, the Holder and shareholders of the Company. If any such

determination is made, the Company will deliver a certificate of the Company to the Holder describing such determination.

### **3.5 No Requirement to Issue Fractional Shares**

The Company shall not be required to issue fractional Common Shares upon the conversion of this Debenture pursuant to this Article 3. If any fractional interest in a Common Share would, except for the provisions of this section, be deliverable upon the conversion the Company shall, in lieu of delivering any certificate of such fractional interest, satisfy such fractional interest by paying to the Holder an amount in lawful money of Canada equal (computed to the nearest cent) to a value determined by multiplying the fractional interest by the Conversion Price. No such payment will be made if the amount so calculated is less than \$10.

### **3.6 Listing of Shares**

The Company shall use its best efforts to ensure that the Common Shares issuable upon conversion of this Debenture shall be listed and posted for trading on a recognized stock exchange acceptable to the Holder.

### **3.7 Legended Certificates**

Notwithstanding anything herein contained, Common Shares issuable upon conversion of this Debenture will only be issued in compliance with the Applicable Law of any applicable jurisdiction, and the certificates representing the Common Shares thereby issued will bear all applicable legends.

## **ARTICLE 4 COVENANTS OF THE COMPANY**

### **4.1 Positive Covenants of the Company**

The Company covenants with the Holder that while any Obligations remain outstanding under this Debenture it shall:

- (a) **Payment and Performance:** duly and punctually pay all amounts due by it hereunder, and shall perform all other obligations on its part to be performed under the terms of this Debenture at the times and places and in the manner provided for herein;
- (b) **Corporate Existence:** maintain its corporate existence in good standing under the laws of Alberta;
- (c) **Reporting Issuer Status:** maintain its status as a "reporting issuer" and not be in material default of any requirement of any applicable securities laws;
- (d) **Applicable Filings:** prior to the Maturity Date, make all requisite filings under all applicable securities legislation including those necessary to remain a reporting issuer not in default in those jurisdictions where it is a reporting issuer and use its best efforts to maintain a listing of its Common Shares on a recognized stock exchange acceptable to the Holder; and

- (e) **Conduct of Business and Compliance With Applicable Laws:** carry on and conduct its business in the ordinary course in compliance with all applicable laws;
- (f) **Notice of an Event of Default:** provide the Holder with prompt written notice of the occurrence of any Event of Default or any event or circumstance that, with the giving of notice or lapse of time or both, would constitute an Event of Default.
- (g) **Share Capital:**
  - (i) reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of any conversion rights;
  - (ii) cause the Common Shares and the certificates representing the Common Shares, from time to time acquired pursuant to the exercise of any conversion rights to be duly issued and delivered in accordance with the terms hereof;
  - (iii) maintain the listing of its Common Shares on the Exchange;
  - (iv) ensure that all Common Shares which shall be issued upon the exercise of any conversion rights be issued as fully paid and non-assessable; and
  - (v) ensure that all Common Shares otherwise issued hereunder be issued as fully- paid and non-assessable.

#### **4.2 Negative Covenants of the Company**

The Company covenants with the Holder that it shall not without having first obtained the prior written consent of the Holder:

- (a) **Change of Business:** change in any material respect the nature of its business or operations as presently carried on; or
- (b) **Prohibited Disposition:** directly or indirectly sell, transfer, assign, abandon, surrender, exchange, lease, sublease, convey or otherwise dispose of all, or substantially all, of its property, assets, and undertakings.

### **ARTICLE 5 DEFAULT AND ENFORCEMENT**

#### **5.1 Events of Default**

Each of the following events is hereinafter referred to as an "**Event of Default**":

- (a) if the Company defaults in payment of the Outstanding Principal Amount or any Interest when the same becomes due and payable under any provision hereof, and such default is not cured within 5 days written notice by the Holder to the Company;



## SCHEDULE "D"

- 11 -

- (b) if the securities regulatory authority of any jurisdiction issues an order ceasing trading in the securities of the Company that is not revoked within 30 days;
- (c) if the securities of the Company are delisted from a stock exchange or if trading in any of the Company's securities over a stock exchange are suspended for a period of 30 days or more;
- (d) if there shall occur a Change of Control of the Company;
- (e) if the Company (i) makes a general assignment for the benefit of creditors, (ii) institutes or has instituted against it any proceeding seeking to adjudicate it a bankrupt or insolvent, liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving its creditors, or the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (iii) takes any corporate action to authorize any of the above actions;
- (f) if the Company ceases to carry on business;
- (g) if there is material adverse qualification to the consolidated financial statements of the Company by its auditors; or
- (h) if the Company shall breach or otherwise fail to perform or observe in a material manner any other covenant, term or condition contained in this Debenture, or the Subscription Agreement or any related document or agreement delivered pursuant hereto or thereto and not otherwise referred to, and the breach is not cured within thirty (30) days written notice by the Holder to the Company.

### **5.2 Acceleration on Default**

If any of the Event of Default has occurred, then and in each and in every such event the Holder may in its discretion by notice in writing to the Company declare the Outstanding Principal Amount then outstanding together with all accrued and unpaid Interest thereon and all other monies outstanding hereunder to be due and payable and the same shall forthwith become immediately due and payable, anything therein or herein to the contrary notwithstanding, the Company shall forthwith pay to the Holder the Outstanding Principal Amount together with all accrued and unpaid Interest thereon and such other monies from the date of the said declaration until payment is received by the Holder. Such payment when made shall be deemed to have been made in discharge of the Company's obligations hereunder.

### **5.3 Waiver of Default**

If an Event of Default shall have occurred, the Holder may waive any Event of Default hereunder, provided that no delay or omission of the Holder to exercise any right or

power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission of the Holder shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

#### **5.4 Remedies – General**

Upon the occurrence and continuance of an Event of Default, the Holder may, in its absolute discretion, but in accordance with Applicable Law:

- (a) exercise such rights and remedies as are provided under Applicable Law against the Company for the enforcement of full payment and performance of all the Obligations;
- (b) proceed to protect and enforce its rights under this Debenture by sale under judgment order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Debenture or in aid of the execution of any power granted in this Debenture or in aid of the execution of this Debenture or for the filing of such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claim of the Holder lodged in any bankruptcy, winding-up or other judicial proceeding, or for the enforcement of any other legal or equitable remedy as the Holder shall deem most effective to protect and enforce any of the rights or duties of the Holder; or

#### **5.5 Judgment**

The Company covenants and agrees with the Holder that, in the case of any judicial or other proceeding to enforce the Debenture or any part thereof, judgment may be rendered against the Company in favour of the Holder for any amount remaining due under this Debenture or for which the Company may be liable hereunder. The covenant of the Company to pay interest at the rate provided in this Debenture shall not merge in any such judgment and such judgment shall bear interest at the rate set forth in this Debenture until such judgment and all interest thereon has been paid in full.

#### **5.6 Remedies Not Exclusive**

No right, power or remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Law, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Holder shall have the power to waive any default, provided no such waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Holder in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Holder by this Debenture or under Applicable Law may be exercised from time to time and as often as may be deemed expedient by the Holder. In case the Holder shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been

discontinued or abandoned for any reason or shall have been determined adversely to the Holder, then and in every such case the Company and the Holder shall, without any further action hereunder, to the full extent permitted by Applicable Law, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Holder shall continue as though no such proceeding had been taken.

### **5.7 Immunity of Shareholders, Directors and Others**

The Holder waives and releases any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director, officer, employee or agent of the Company or of any successor company for the payment of the principal of this Debenture or on any covenant, agreement, representation or warranty by the Company contained herein, except to the extent that such right, cause of action or remedy is caused by the fraud, wilful misconduct or gross negligence of such past, present or future incorporator, shareholder, director, officer, employee or agent.

### **5.8 Expenses**

If the Company fails to pay any amounts required to be paid by it under this Debenture or to observe or perform any of the covenants and obligations to be observed or performed by it set forth in this Debenture or in any other loan or security document provided by the Company to the Holder, the Holder may, but shall be under no obligation to, pay such amounts or do such acts or things as may be required to ensure such observance and performance, without waiving any of its rights under this Debenture or under such other loan or security document. No such payment, act or thing by the Holder shall relieve the Company from any default under this Debenture or any other loan or security document provided by the Company to the Holder or the consequences of such default. In addition, the Company shall pay all reasonable expenses (including legal fees and expenses on a solicitor and his own client basis) incurred by the Holder in connection with the preparation, perfection, execution, protection, enforcement of and advice with respect to this Debenture (including the realization, disposition, retention, protection or collection and enforcement of the rights of the Holder hereunder) and such expenses shall become part of the Obligations, and shall, from the time they are paid by the Holder until paid by the Company, bear interest at the applicable rate hereunder.

### **5.9 Indemnity**

The Company will and does hereby indemnify and save harmless the Holder, from and against any and all liabilities, actions, claims, judgments, obligations, costs, charges or expenses, including legal fees and expenses on a solicitor and his own client basis, made against or incurred by the Holder as a result of taking this Debenture; and the Holder shall have the right to defend against any such liabilities, actions, claims and charges and to claim from the Company all expenses incurred in connection therewith, together with all legal fees and expenses on a solicitor and his own client basis that may be paid in connection therewith. It is understood and agreed that the covenants and conditions of this Section 5.9 shall remain in full force and effect notwithstanding the payment or release, either partially or wholly, of any foreclosure thereof.

**ARTICLE 6  
SATISFACTION AND DISCHARGE**

**6.1 Cancellation and Destruction**

Upon maturity this Debenture shall forthwith after payment thereof be delivered to the Company and cancelled.

**6.2 Non-Presentation of Debenture**

If the Holder of this Debenture shall fail to present the same for payment on the date on which the principal thereof or represented thereby becomes payable, either at Maturity or upon an Event of Default or the Holder shall not accept payment on account thereof and give such receipt therefor (if any) as the Company may require, the Company shall be entitled to set aside the principal moneys and interest thereon in trust to be paid to the Holder upon due presentation and surrender thereof in accordance with the provisions of this Debenture; and thereupon the principal moneys represented by this Debenture and interest thereon in respect whereof such moneys have been set aside shall be deemed to have been paid and thereafter this Debenture shall not be considered as outstanding and the Holder thereof shall thereafter have no right in respect thereof except that of receiving payment of the moneys so set aside by the Company (without interest thereon) upon due presentation and surrender thereof.

**6.3 Discharge**

Upon the principal due on this Debenture and interest thereon (including interest on amounts in default) having been paid or satisfied, the Holder shall, at the request and at the expense of the Company, execute and deliver to the Company such deeds or other instruments as shall be necessary to evidence the satisfaction and discharge of this Debenture and to release the Company from its covenants contained herein.

**ARTICLE 7  
MISCELLANEOUS**

**7.1 Amendments, Waivers, Etc.**

This Debenture may not be amended or varied except by written instrument executed by each of the Company and the Holder. Any party may from time to time and at any time:

- (a) waive in whole or in part the benefit to it of any of the provisions of any section in this Debenture; and
- (b) waive in whole or in part its rights on any default by another party under any section in this Debenture, which is to its benefit, but any such waiver by any party of any such benefit or right on any occasion shall be deemed not to be a waiver of the benefit of or right under any such section thereafter or of any other section or of any subsequent default, as the case may be. Failure to exercise or delay in exercising on the part of the Holder any right, power or privilege under this Debenture shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

## SCHEDULE "D"

- 15 -

No waiver by the Holder shall be effective unless it is in writing signed by the Holder. All rights and remedies of the Holder set out in this Debenture are cumulative and no right or remedy contained therein is intended to be exclusive but each is in addition to every other right or remedy contained therein or in any future agreement, or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Company or a Subsidiary and the Holder that may be in effect from time to time.

### **7.2 Notice to Company**

Any notice to the Company under the provisions of this Debenture shall be valid and effective if emailed to, if delivered personally to, or, if given by registered mail, postage prepaid, addressed to, the Company at Carbeeza Inc., 620, 10180 - 101 Street, Edmonton, Alberta T5J 3S4, Attention: Joanna Hampton, (joanna@allanwelsh.ca), and shall be deemed to have been given on the next Business Day following the date of transmission, on the date of delivery or on the fifth Business Day after such notice has been mailed, as the case may be. The Company may from time to time notify the Holder of a change in address which thereafter, until changed by further notice, shall be the address of the Company for all purposes of this Debenture.

### **7.3 Notice to Holder**

Any notice to the Holder under the provisions of this Debenture shall be valid and effective if emailed to, delivered personally to, or sent by first class mail, postage prepaid, addressed to the Holder at #620, 10180 - 101 Street, Edmonton, Alberta T5J 3S4, and shall be deemed to have been given on the date of delivery or on the fifth Business Day after such notice has been mailed as the case may be. Any accidental error, omission, or failure in giving or in delivering or mailing any such notice or the non-receipt of any such notice by the Holder shall not invalidate or otherwise prejudicially affect any action or proceeding founded thereon. The Holder may from time to time notify the Company of a change in address which thereafter, until changed by further notice, shall be the address of the Holder for all purposes of this Debenture.

### **7.4 Lost Debenture**

If this Debenture is stolen or becomes lost, mutilated or destroyed, the Company shall issue and countersign a new Debenture in identical form and substance as this Debenture so stolen, lost, mutilated or destroyed, provided that the Holder or, if not an individual, an officer of the Holder certifies that the Holder has lost this Debenture or it has been stolen, mutilated or destroyed and provided further than the Company may require an indemnity in a form satisfactory to the Company.

### **7.5 Successors and Assigns**

This Debenture shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective successors and permitted assigns.

### **7.6 Invalidity of Provisions**

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of

competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

**7.7 Governing Law**

This Debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of Alberta.

**7.8 Independent Legal Advice**

The Holder acknowledges that McLeod Law LLP acts for the Company, not the Holder, and that the Holder has received independent legal advice with respect to this Debenture and all matters contemplated herein or chosen not to receive independent legal advice because the Holder is a sophisticated businessperson and understands the terms and conditions herein.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day, month, and year first above written.

**CARBEEZA INC.**

Per: \_\_\_\_\_  
**Joanna Hampton**  
**Chief Financial Officer**

\_\_\_\_\_  
**SANDRO TORRIERI**

\_\_\_\_\_  
WITNESS

**SCHEDULE "A"**

**Form of Conversion Election Notice**

**TO: CARBEEZA INC. (the "Company")**

The undersigned holder (the "**Holder**") of the attached Secured Convertible Debenture (the "**Debenture**") hereby irrevocably elects to convert \$\_\_\_\_\_ of the Outstanding Principal Amount thereof (the "**Conversion Amount**") into \_\_\_\_\_ Common Shares in the capital of the Company in accordance with the terms of the Debenture at the Conversion Price and on the other terms specified in the Debenture. The Holder hereby acknowledges that, subject to any required approval of the Exchange, all accrued and unpaid Interest on the Conversion Amount will be satisfied by the issuance of the Common Shares at the Conversion Price. The capitalized terms used but not otherwise defined herein have the meanings given in the Debenture.

The Holder irrevocably directs that such Common Shares be issued and delivered to the undersigned.

DATED the \_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ .

Per: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title of Signatory