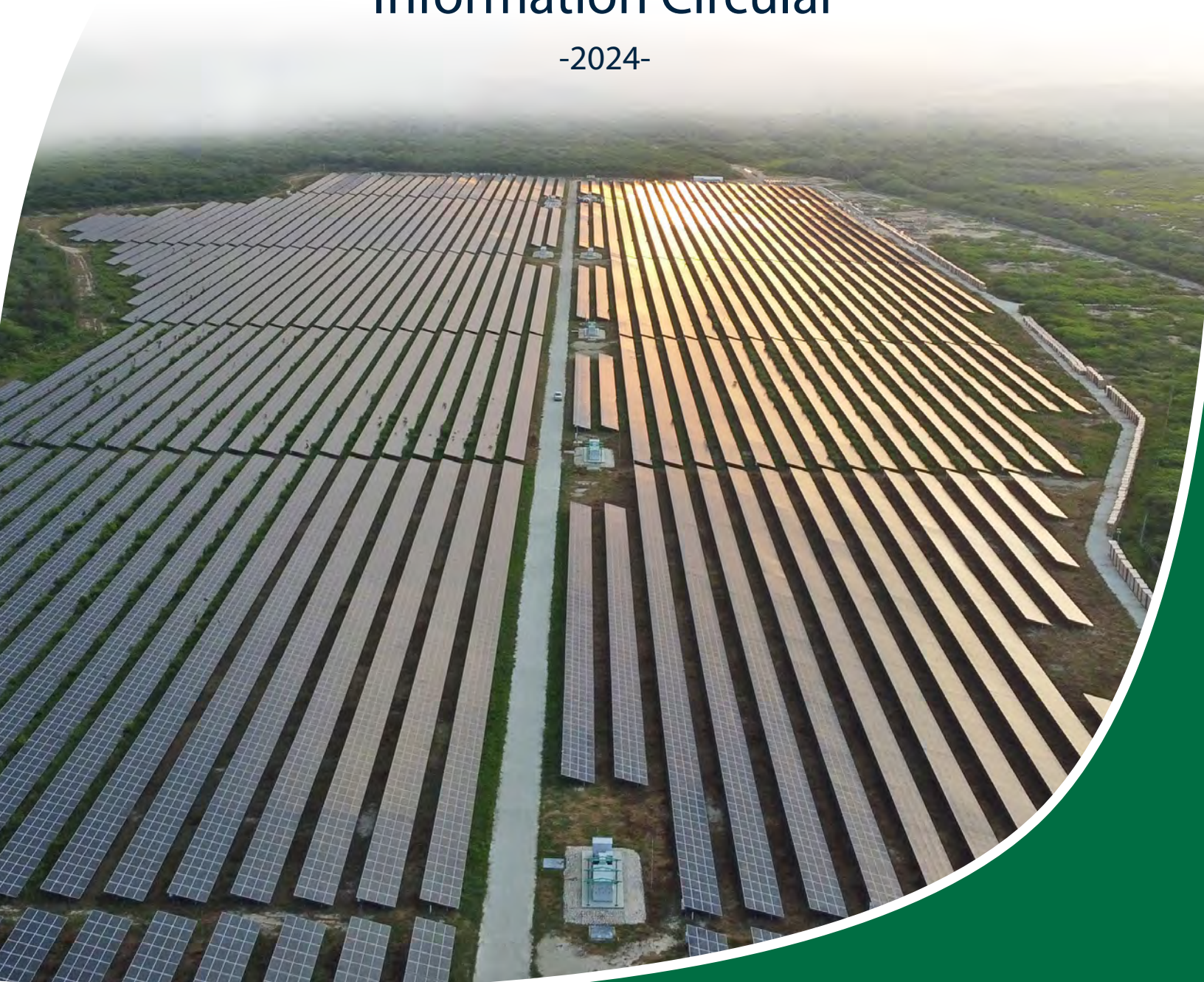




POLARIS
RENEWABLE ENERGY

Notice of Annual and Special Meeting of Shareholders and Management Information Circular

-2024-



Letter to shareholders of Polaris Renewable Energy Inc.

May 17, 2024

Dear Shareholder:

The board of directors (the “**Board**”) and management of Polaris Renewable Energy Inc. (the “**Corporation**”) hereby invite you to attend the 2024 Annual and Special Meeting of Shareholders (the “**Meeting**”) to be held in a virtual-only format on June 20, 2024 at 9:00 a.m. (Toronto time), which will be conducted via live webcast. Shareholders will have the opportunity to participate at the Meeting online regardless of their geographic location.

Registered shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online at <https://virtual-meetings.tsxtrust.com/1635> password: “polaris2024”. Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote or ask questions at the Meeting. A summary of the information that shareholders will need to attend and vote at the Meeting online can be found in the notice of annual and special meeting of shareholders of the Corporation and the accompanying management information circular.

The notice of annual and special meeting of shareholders of the Corporation and the accompanying management information circular describe the business to be conducted at the Meeting, provide information on director and executive compensation, and explain the Corporation’s governance practices. At the Meeting, shareholders will be asked to consider (i) the election of directors, (ii) the reappointment of the Corporation’s auditors and authorizing the Board to fix their remuneration, (iii) the ratification and approval of an advanced notice by-law, and (iv) the continuation of the Corporation’s Omnibus Long-Term Incentive Plan for another three (3) years.

Please take the time to review this circular and execute your vote on the business items of the Meeting. Your vote and participation are very important. Regardless of whether you plan to attend the Meeting, please participate by completing and sending us the enclosed proxy (full voting instructions are provided inside).

On behalf of the Corporation, I would like to thank all shareholders for their ongoing support.

Yours very truly,
(signed) “Marc Murnaghan”
Marc Murnaghan
Chief Executive Officer

Notice of annual and special meeting of shareholders

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares in the capital of Polaris Renewable Energy Inc. (the “**Corporation**”) will be held at 9:00 a.m.(Toronto time) on June 20, 2024 for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31,2023, together with the report of the auditors thereon;
2. to elect directors of the Corporation;
3. to reappoint PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation and to authorize the directors of the Corporation to fix their remuneration;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the amendment to the Corporation’s By-Law No. 1 to include an advance notice requirement as more fully described in the accompanying management information circular dated May 17, 2024 (the “**Circular**”);
5. to consider and, if deemed appropriate, to pass a resolution to approve the continuation of the Corporation’s Omnibus Long-Term Incentive Plan for a further three (3) years and authorize the grant of all unallocated awards under the plan, as more fully described in the Circular; and
6. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

The Corporation is holding the Meeting as a virtual only meeting, which will be conducted via live webcast, where all Shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting. As the Meeting will be in virtual-only format, Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://virtual-meetings.tsxtrust.com/1635> password: “polaris2024”. Non-registered Shareholders (being Shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting.

This notice is accompanied by a form of proxy, a supplemental mailing return list card and request for paper copies. Reference should be made to the Circular, which provides information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Notice-and-Access

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

Website Where Meeting Materials are Posted

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy- related materials and annual financial statements (including management proxy circulars) on-line, via the System for Electronic Document Analysis and Retrieval + (“**SEDAR+**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, the annual audited consolidated financial statements of the Corporation for the year ended December 31, 2023 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for the year ended December 31, 2023 (“**MD&A**”) may be found on the Corporation’s SEDAR+ profile at www.sedarplus.ca and the Corporation’s website at <https://polarisrei.com>. The Corporation will not use the procedures 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 Circular to some Shareholders with the notice package.

Obtaining Paper Copies of Materials

The Corporation anticipates that using the Notice-and-Access Provisions for delivery will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with fulfilment requests can call our transfer agent, TSX Trust Company (“**TSX Trust**”), toll-free at 1-888-433-6443 or send an e-mail to tsxt-fulfilment@tmx.com. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting TSX Trust at the same toll-free number or upon request to the Corporation’s Corporate Secretary at +1 647-245-7199 (which is not a toll-free number) or by email at info@Polarisrei.com.

Voting

Registered Shareholders who are unable to attend the Meeting online are requested to complete, date, sign and return the proxy form to TSX Trust, by mail, at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 9:00 a.m. (Toronto time) on June 18, 2024 or, if the Meeting is adjourned or postponed, no later than 48 hours prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays).

Non-registered Shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein, or otherwise follow the instructions provided by their broker or other intermediary.

Please review the Circular prior to voting.

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on May 1, 2024 as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment or postponement thereof.

DATED this 17th day of May, 2024.

By order of the Board,

(signed) “Marc Murnaghan”

Marc Murnaghan

Chief Executive Officer

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PART ONE

Cautionary Statement with Respect to Forward Looking Statements

This management information circular (the “**Circular**”) contains certain forward-looking information within the meaning of applicable Canadian securities law (“forward-looking statements”) which may include, but are not limited to, statements with respect to future events or future performance and management’s expectations regarding: Polaris Renewable Energy Inc.’s (the “**Corporation**”) growth, and results of operations, performance, business prospects and opportunities, the ratification and approval of the By-Law Amendment (as defined herein), the Corporation’s environmental, social and governance practices, and the committees of the Corporation and their roles in the governance of the Corporation. Such forward-looking statements reflect management’s current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors, may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current geothermal and hydro energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the geothermal and hydro power industries; political instability or insurrection or war; labour force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities, or in the commencement of operations; the ability of the Corporation to continue as a going concern and general economic conditions, as well as those factors discussed in the section entitled “Risk Factors” in the Corporation’s Annual Information Form dated February 22, 2024 and filed on Electronic Document Analysis and Retrieval + (“**SEDAR+**”). The following Circular should be read in conjunction with the audited consolidated financial statements, annual information form and the annual management’s discussion and analysis of the Corporation filed on SEDAR+ at www.sedarplus.ca.

General Information

The information contained in this Circular is presented as at May 1, 2024, unless otherwise indicated herein, and is furnished in connection with the solicitation of proxies by or on behalf of management of the Corporation for use at the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares in the capital of the Corporation (the “**Common Shares**”) to be held on June 20, 2024 at 9:00 a.m. (Toronto time). The Meeting will be held as a virtual only meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting online is provided below. In this document, “you” and “your” refer to the Shareholders, and “we”, “us” and “our” refer to the Corporation.

Who can vote?

Shareholders who are registered at the close of business on May 1, 2024 (the “**record date**”) will be entitled to vote at the Meeting online or at any adjournment or postponement thereof. As of the close of business on May 1, 2024, there were 21,075,474 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote at the Meeting.

What information is in this Circular?

This Circular contains the information we are required by law to provide to you as well as other information we believe may be useful to you in order for you to make a well-informed decision when you vote on the matters put forth at the Meeting. Such information includes, but is not limited to, director personal information, director compensation, meeting information for the board of directors of

the Corporation (the “**Board**”) and Board committees, our compensation philosophy, our performance, and our named executive officers’ compensation, information relating to certain governance matters, as well as information relating to the specific matters to be considered at the Meeting. All references to dollars and compensation amounts in this Circular are to U.S. dollars unless otherwise indicated.

What will I be voting on?

Shareholders will be voting to (i) elect directors of the Corporation, (ii) reappoint PricewaterhouseCoopers LLP as the auditors of the Corporation and approve their remuneration for the upcoming year, (iii) ratify and approve the amendment to the Corporation’s By-Law No. 1 to include an advance notice requirement (the “**By-Law Amendment**”), and (iv) approve the continuation of the Omnibus Plan (as defined herein) for another three (3) years.

How will these matters be decided at the Meeting?

All of the matters to be considered at the Meeting, are to be approved by ordinary resolutions. Approval by ordinary resolution requires that a simple majority of the votes cast in respect of a resolution by or on behalf of the Shareholders present online or represented by proxy at the Meeting be voted in favour of the resolution.

Who is soliciting my proxy?

The solicitation of proxies by this Circular is being made by or on behalf of the management of the

Corporation. Proxies will be solicited primarily by mail, but may also be solicited personally, by telephone, or by facsimile by regular employees of the Corporation at nominal costs, which shall be borne by the Corporation.

Who may I call with questions?

If you have questions about the information contained in this Circular or require assistance in completing your form of proxy, please contact the Corporate Secretary of Polaris, at +1 647-245-7199 or by email at info@Polarisrei.com.

How can I contact the transfer agent?

You can contact the Corporation's transfer agent by mail at TSX Trust Company ("TSX Trust"), at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by telephone at 1-800-387-0825, or by e-mail at shareholderinquiries@tmx.com.

How do I vote?

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares by completing a ballot online during the Meeting, or by proxy as explained below. If your Common Shares are held in the name of a nominee, please see the instructions below under "How do I vote if I am a non-registered Shareholder."

How do I attend and vote at the virtual-only Meeting if I am a registered Shareholder?

The Corporation is holding the Meeting as a virtual only meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://virtual-meetings.tsxtrust.com/1635>. Such persons may enter the Meeting by clicking "I have a control number" and entering a valid control number and the Password: "polaris2024" (case sensitive) before the start of the Meeting. Guests, including non-registered (beneficial) Shareholders who have not duly appointed themselves as a proxyholder, can login to the meeting by clicking "I am a guest" and completing the online form.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 9:00 a.m. (Toronto time) on June 20, 2024, unless otherwise adjourned or postponed. Online check-in will begin one hour prior to the Meeting, at 8:00 a.m. (Toronto time). You should

allow ample time for online check-in procedures. **For any technical difficulties experienced during the check-in process or during the Meeting, please see <https://www.tsxtrust.com/vagm-faq> for frequently asked questions. It is important that you have this information accessible when joining the Meeting in the event of any technical difficulties.**

Voting Online

You are a registered Shareholder if your name appears on your share certificate. If this is the case, you may attend and vote online at the Meeting. Simply login to the Meeting and complete a ballot online during the Meeting. The control number located on the proxy form or in the email notification you received is your control number for purposes of logging in to the Meeting.

Voting by Proxy

As a registered Shareholder, you may also appoint someone else as your proxy holder to attend and vote at the Meeting online by using the enclosed form of proxy. The persons currently named as proxies in such form of proxy are the Chief Executive Officer and Chief Financial Officer of the Corporation. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons designated in the enclosed form of proxy to attend the Meeting and to vote and act for and on behalf of such Shareholder at the Meeting, and any adjournment or postponement thereof. Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **MUST** submit their form of proxy appointing that third-party proxyholder **AND** register that third-party proxyholder online, as described below. Registering your third-party proxyholder is an additional step to be completed **AFTER**

you have submitted your form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting.

Step 1: Submit your form of proxy - To appoint a third-party proxyholder, insert such person's name in the blank space provided in the form of proxy and follow the instructions for submitting such proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy.

Step 2: Register your proxyholder - To register a third-party proxyholder, Shareholders must call TSX Trust at 1-866-751-6315 by 9:00 a.m. (Toronto Time) on June 18, 2024, or, if the meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting, and provide TSX Trust with the required proxyholder contact information so that TSX Trust may provide the proxyholder with a control number via email. Without a control number, proxyholders will not be able to vote or ask questions at the meeting but will be able to participate as a guest.

How do I ask questions at the Meeting?

Registered Shareholders or duly appointed proxy holders may submit a question in respect of a motion being put forward at the Meeting using the instant messaging service of the TSX Trust platform. Before terminating the Meeting, the chair of the Meeting will ask whether there is any additional business to bring forward to the Meeting, giving registered Shareholders or duly appointed proxy holders an opportunity to present a proposal. Further, at the end of the formal portion of the Meeting, the Corporation will have a brief question and answer period where any registered Shareholder or duly

appointed proxy holder can submit a question via the TSX Trust platform. Management will try to answer as many questions as time permits.

How can I send in my form of proxy?

Registered Shareholders who cannot attend and vote at the Meeting are urged to complete, sign, date and return the enclosed proxy form in one of the manners set out in the form of proxy. Only persons that were Shareholders as at the close of business on the record date are entitled to attend and vote at, or appoint a proxy holder to attend and vote at the Meeting.

What is the deadline for receiving the form of proxy?

The deadline for receiving duly completed forms of proxy is 9:00 a.m. (Toronto time) on June 18, 2024, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting.

How will my Common Shares be voted if I give my proxy?

Your Common Shares will be voted or withheld from voting in accordance with your instructions indicated on the proxy. If no instructions are indicated, the Common Shares represented by such proxy will be voted FOR or IN FAVOUR of each matter identified in the Meeting Notice. The enclosed form of proxy confers discretionary authority upon the persons named in the form of proxy with respect to amendments to or variations of matters identified in the Meeting Notice and

with respect to other matters, if any, which may properly come before the Meeting. As at the date of this 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 Meeting Notice. However, if any other matters which at present are not known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

If I change my mind, how can I revoke my proxy?

A registered Shareholder who has given a proxy may revoke it (a) by depositing an instrument in writing executed by such Shareholder or by such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing (i) at the offices of TSX Trust, by mail at Suite 301, 100 Adelaide Street West, Toronto, at any time up to 9:00 a.m. (Toronto time) on the second business day preceding the date of the Meeting or any adjournment or postponement thereof or (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment or postponement thereof by e-mailing the chairman at info@Polarisrei.com; or (b) in any other manner permitted by law.

If you login to the Meeting using your control number and you accept the terms and conditions, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote online by ballot.

How do I vote if I am a non-registered Shareholder?

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary such as a bank, trust company, securities dealer, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans (each an “**Intermediary**”) that represents the Non-Registered Holder in respect of its Common Shares or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”), the Corporation will have distributed copies of the Meeting Materials (as defined herein) to the

Intermediaries for onward distribution to Non-Registered Holders. The Corporation is not using the notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”) as a means of sending the Meeting Materials to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive such materials. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive the Meeting Materials will receive a package from their Intermediary containing either:

- (a) a voting instruction form that must be properly completed and signed by the Non-Registered Holder and returned to the Intermediary in accordance with the instructions on the voting instruction form;

or, less typically,

- (b) a form of proxy that has already been stamped or signed by the Intermediary that is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which otherwise has not been completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust at the address set forth in the Meeting Notice.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of Common Shares that they beneficially own. Should a Non-Registered Holder, who receives either a voting instruction form or a form of proxy, wish to attend and vote at the Meeting online (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and service companies. If you are a Non-Registered Holder and have not received a package containing a form of proxy or voting instruction form, please contact your Intermediary. The Corporation does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. The objecting beneficial owners will not receive the Meeting Materials unless the objecting beneficial owner’s Intermediary assumes the cost of delivering the Meeting Materials.

A Non-Registered Holder may revoke a proxy or voting instruction form which has been given to an Intermediary by written notice to the Intermediary or by submitting a proxy or voting instruction form bearing a later date. In order to ensure that an Intermediary acts upon a revocation of a proxy or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

How can a Non-Registered Holder Appoint a Third-Party Proxy

A Non-Registered Holder has the right to appoint a person or company (who need not be a Shareholder) other than the persons designated in the voting instruction form to attend the Meeting and to vote and act for and on behalf of such Shareholder at the Meeting, and any adjournment or postponement thereof. Non-Registered Holders who wish to appoint a third-party proxyholder to represent them at the Meeting MUST submit their voting instruction form appointing that third-party proxyholder AND register that third-party proxyholder online, as described below. Registering your third-party proxyholder is an additional step to be completed AFTER you have submitted your voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting.

Step 1: Submit your voting instruction form

- To appoint a third-party proxyholder, insert such person's name in the blank space provided in the voting instruction form and follow the instructions for submitting such proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your voting instruction form.

Step 2: Register your proxyholder - To register a third-party proxyholder, Non-Registered Holders must call TSX Trust at 1-866-751-6315 by 9:00 a.m. (Toronto Time) on June 18, 2024, or, if the meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting, and provide TSX Trust with the required proxyholder contact information so that TSX Trust may provide the proxyholder with a control number via email. Without a control number, proxyholders will not be able to vote or ask questions at the meeting but will be able to participate as a guest.

How can a Non-Registered Holder Appoint Himself for Herself as Proxy

If you are a Non-Registered Holder and wish to vote at the meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Meeting Materials

(i) Notice-and-Access

The Corporation has decided to use the notice and access mechanism (the "**Notice-and-Access Provisions**") under NI 54-101 for the delivery of the Circular, the annual audited consolidated financial statements of the Corporation for the year ended December 31, 2023 ("**Financial Statements**") and management's discus-

sion and analysis of the Corporation's results of operations and financial condition for the year ended December 31, 2023 ("MD&A") (collectively, the "Meeting Materials") to Shareholders for the Meeting. The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing, materials and mailing costs.

Under the Notice and Access Provisions, instead of receiving printed copies of the Meeting Materials, Shareholders will receive a notice ("Notice") with information on the Meeting date, location and purpose, as well as information on how they may access the Meeting Materials electronically and how they may vote. Meeting Materials may be found on the Corporation's SEDAR+ profile at www.sedarplus.ca and the Corporation's website at <https://polarisrei.com/>.

The Corporation will not use the procedures known as "stratification" in relation to the use of Notice-and-Access Provisions meaning that all shareholders will a Notice in accordance with the Notice-and-Access Provisions.

Voting Securities and Principal Holders of Voting Securities

As of the close of business on the record date, there were 21,075,474 issued and outstanding Common Shares, being the only class of shares outstanding and entitled to vote at the Meeting. Each Shareholder on the record date will be entitled to one (1) vote for each Common Share held by such holder on all matters proposed to come before the Meeting. The Corporation has made a list of all persons who are registered holders of Common Shares as of the close of

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year after the date the Circular was filed on SEDAR+ by calling our transfer agent, TSX Trust, toll-free at 1-888-433-6443 or by e-mail at tsxt-fulfilment@tmx.com or upon request to the Corporation's Corporate Secretary at +1 647-245-7199 (which is not a toll free number) or by email at info@Polarisrei.com.

Shareholders can also request paper copies in advance of the Meeting, the full details of which are set out on the accompanying Notice of Meeting under the heading "*Obtaining Paper Copies of Materials*".

business on the record date, and the number of Common Shares registered in the name of each person on that date.

To the knowledge of the directors and executive officers of the Corporation, no persons, firms or corporations beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the total number of issued and outstanding Common Shares.



PART TWO

Business of the Meeting

Annual Business of the Meeting

Approval of Financial Statements

The Board has approved the Financial Statements, copies of which have been delivered to registered Shareholders.

Nominees for Election to the Board of Directors

The tables below set forth the following information for each individual that the Corporation has nominated for election as a director: (i) name, positions held with the Corporation, municipality of residence and age; (ii) period of service as a director of the Corporation, if any; (iii) whether such individual has been determined by the Board to be independent (see a discussion of independence below under the heading “*Statement of Corporate Governance Practices*”); (iv) the principal occupation, and other biographical information of each nominee indicating the experience and qualifications of each nominee to serve as a director of the Corporation; (v) membership on committees of the Board and attendance at meetings of the Board and such committees during the year ended December 31, 2023, as applicable; and (vi) the number of Common Shares that are beneficially owned, controlled or directed by each nominee as of the date of this Circular, and the number of Common Shares that are subject to unexercised options or other awards granted under the Corporation’s Omnibus Long-Term Incentive Plan dated June 18, 2012, as amended and restated on June 20, 2017 and June 24, 2021 (the “**Omnibus Plan**”) (see the description of the Omnibus Plan contained in Appendix C to the Circular) or other convertible securities beneficially owned, controlled or directed as of the date of this Circular. All current directors of the Corporation hold a term that ends at the close of the Meeting and all nominated directors who are elected at the Meeting will hold a term that will end at the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed, or until a director vacates his office or is replaced in accordance with the articles of the Corporation.



Jaime Guillen
 Chair of the Board
Age: 62
Residence: London, United Kingdom
Director Since: May 2015
Independent

Mr. Guillen is the Managing Partner at Faros Infrastructure Partners LLC (“FIP”), an investment firm with offices in United Kingdom and United States. He has over 25 years of experience in the development, investment, financing, management and divestiture of energy and infrastructure projects. His experience ranges across Europe, North & Latin America, Middle East, and Asia and includes significant dealings with investors, developers, governments, and industry players. He serves on the Investment and Asset Management Committee member of the various energy and infrastructure funds in Latin America managed by FIP’s affiliate, Mexico Infrastructure Partners. He also serves as a director of the Board and chairman of the audit committee of Gevo, Inc. Mr. Guillen previously served as the Chief Executive Officer of Alterra Partners, an investment joint venture between Singapore Changi Airport and Bechtel, a United States engineering company. He also previously served as the Managing Director of Bechtel Enterprises in Latin America, President of Bechtel Enterprises in Brazil, and Director of Bechtel Enterprises of Mexico – responsible for developing, investing in and managing infrastructure investments. Mr. Guillen earned a BS in Nuclear Engineering from Massachusetts Institute of Technology and an MBA from Stanford University.

2023 Committee Memberships:		Audit Committee (Chair)		
Securities beneficially owned, controlled or directed, at the date hereof:		Meeting Attendance in 2023:		
Common Shares	Securities Convertible into Common Shares	Board	Committees	
10,127	8,235 DSUs	5	Audit Committee	4

**James V. Lawless**

Director

Age: 73

Residence: Auckland, New Zealand

Director Since: March 2011

Independent

Mr. Lawless was a Geothermal Practice Leader with Sinclair Knight Mertz Pty Ltd. ("SKM") from 2008 through 2010. Mr. Lawless was an Earth Science Manager with Kingston Morrison Limited from 1993 through 1999. Mr. Lawless worked for KRTA Limited as a Senior Geologist from 1985 through 1993.

2023 Committee Memberships:**Human Resources and Environmental, Social and Governance Committee****Securities beneficially owned, controlled or directed, at the date hereof:**

Meeting Attendance in 2023:

Common Shares

Securities
Convertible into
Common Shares

Board

Committees

4,783

6,721 DSUs

5

Human Resources
and Environmental,
Social and Governance
Committee

4

**Marc Murnaghan**

Director

Age: 52

Residence: Ontario, Canada

Director Since: May 2015

Not Independent

Mr. Murnaghan has been Chief Executive Officer of Polaris since May 13, 2015. Mr. Murnaghan has over 20 years of experience in the investment banking business and was Co-Head of the Investment Banking group at Cormark Securities Inc. Prior to his role as Co-Head of Investment Banking, Mr. Murnaghan ran the Power and Alternative Energy group where he helped raise equity capital for companies in the sector in areas such as solar, wind, hydro, geothermal, biomass, power electronics, battery technologies and fuel cells. Over his career, Mr. Murnaghan has also acted as advisor to companies on strategic transactions, including corporate sales, asset sales and strategic investments.

2023 Committee Memberships:

None

Securities beneficially owned, controlled or directed, at the date hereof:**Meeting Attendance in 2023:**

Common Shares

Securities Convertible
into Common Shares

Board

Committees

489,923

40,499 Options
19,316 RSUs

5

N/A



Marcela Paredes de Vásquez
 Director
 Age: 61
 Residence: Panama City, Republic of Panama
 Director Since: June 2019
 Independent

Ms. Paredes de Vásquez is currently Titular Professor at the Technological University of Panama. She was previously the Ambassador of Panama to Chile, a post she held from October 2018 until July 2019. Prior to this, Ms. Paredes de Vásquez was the Minister of Education for Panama from 2014 through 2018, and held various positions, including President, at the Technological University of Panama from 1989 through 2013. Ms. Paredes de Vásquez holds a DHL from Wilkes University, a MS in Electric Power Engineering from Rensselaer Polytechnic Institute, and a BS in Electromechanical Engineering from Technological University of Panama.

2023 Committee Memberships:		Human Resources and Environmental, Social and Governance Committee (Chair)		
Securities beneficially owned, controlled or directed, at the date hereof:		Meeting Attendance in 2023:		
Common Shares	Securities Convertible into Common Shares	Board	Committees	
-	8,528	5	Human Resources and Environmental, Social and Governance Committee	4



Catherine Fagnan

Director

Age: 46

Residence: Ontario, Canada

Director Since: June 2023

Independent

On December 1, 2022, Ms. Fagnan joined Polaris as a consultant to the Board. Ms. Fagnan is Associate General Counsel at Green Infrastructure Partners where she leads the legal group and is a member of the Executive Team. Green Infrastructure Partners is a large and diverse Canadian infrastructure company that offers vertically integrated solutions for public and private projects of varying size and scale. Prior to this role, Ms. Fagnan was Associate General Counsel with TELUS Communications; Senior Counsel at Lafarge Canada (Holcim); and senior business and tax law associate at McCarthy Tetrault LLP.

Ms. Fagnan is trilingual and holds a joint MBA from Kellogg Schulich as well as her ICD.D designation obtained from the Rotman/Institute of Corporate Directors program. Ms. Fagnan's areas of expertise range from navigating regulated environments, M&A, negotiating sensitive corporate and commercial agreements, competition law, litigation, ethics & compliance, and corporate governance.

Ms. Fagnan is actively involved in diversity initiatives to promote, amongst other things, the inclusion and retention of women within the construction industry. Ms. Fagnan sat on the board of Comtech Fire Credit Union (Audit and Human Resources/Compensation Committees) from 2021 to April 2023. In 2021, Ms. Fagnan became a limited partner in the newly formed Women's Equity Lab (WEL) fund (Toronto), which purpose is to invest in new ventures with other female investors

2023 Committee Memberships:

Audit Committee
Human Resources and Environmental, Social and Governance Committee

Securities beneficially owned, controlled or directed, at the date hereof:

Meeting Attendance in 2023:

Common Shares	Securities Convertible into Common Shares	Board	Committees	
-	1,450 DSUs	5 (including 2 as a consultant to the board)	Audit Committee	3
			Human Resources and Environmental, Social and Governance Committee	3



Adarsh P. Mehta
 Director
 Age: 51
 Residence: Ontario, Canada
 Director Since: June 2023
 Independent

Ms. Mehta is VP of Business Development for Jenner Renewable Consulting, where she provides renewable energy analysis to mining companies to assist them in achieving their ESG goals. For the past 20 years Ms. Mehta has led technical reviews, diligence, and development in various capacities on more than 2000 Megawatts of wind and solar energy projects in North and South America.

Ms. Mehta also serves as a Director of the Board and member of the Audit Committee of Synex Renewable Energy Corp. Ms. Mehta served as a member of the Board of Directors of the Canadian Wind Energy Association (CanWEA) from 2008-2015. She became Chairperson of the CanWEA Board in 2011 where she spearheaded the promotion and guidance for wind energy growth in Canada. Ms. Mehta is a volunteer and co-founder of My 100 Percent, a registered Canadian charity which assists disadvantaged children and women globally to rise out of poverty. Ms. Mehta holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Science degree from the University of Alberta, and a joint MBA degree from the Kellogg School of Management and Schulich School of Business.

2023 Committee Memberships:		Audit Committee		
Securities beneficially owned, controlled or directed, at the date hereof:		Meeting Attendance in 2023:		
Common Shares	Securities Convertible into Common Shares	Board	Committees	
112,500	-	3	Audit Committee	3

Orders, Bankruptcies, Penalties or Sanctions

As of the date of this Circular, none of the Corporation's directors or proposed directors is or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation (collectively, 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.

None of the Corporation's directors or proposed directors: (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 corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

None of the Corporation's directors or proposed directors have 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.

Appointment of Auditors

PricewaterhouseCoopers LLP, Chartered Accountants will be proposed by management of the Corporation for re-appointment as auditors of the Corporation, to hold office until the next annual meeting of Shareholders, with their remuneration to be approved by the Board. PricewaterhouseCoopers LLP was first appointed as auditors of the Corporation on September 25, 2015.

Certain information regarding the audit committee of the Corporation (the "Audit Committee"), including fees paid to the auditors of the Corporation in the recently completed financial year, that is required to be disclosed

in accordance with National Instrument 52-110 – *Audit Committees* ("NI 52-110") is contained in the Corporation's Annual Information Form for the year ended December 31, 2023, dated February 22, 2024, an electronic copy of which is available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

In the absence of instructions to the contrary, the Common Shares represented by proxies in favour of management proxyholders will be voted FOR the resolution re-appointing PricewaterhouseCoopers LLP as auditors of the Corporation at remuneration to be approved by the Board.

Approval of the By-Law Amendment

On February 21, 2024, the Board approved an amendment to the Corporation's By-Law No. 1 (the "By-Law Amendment") to include the Advance Notice Requirement (as defined herein). A copy of the By-Law Amendment is filed under the Corporation's profile on SEDAR+ at www.sedarplus.ca. In order to remain effective following the Meeting, the By-Law Amendment must be ratified, confirmed and approved by the Shareholders at the Meeting.

Prior to the Corporation's continuance into the Province of Ontario, as it is customary in the Province of British Columbia and under the *Business Corporations Act* (British Columbia), the Corporation's articles of incorporation ("Articles") included an advance notice requirement (the "Advance

Notice Requirement"). The purpose of the Advance Notice Requirement was to provide Shareholders, directors and management of the Corporation with direction on the nomination of directors, among others. However, in the Province of Ontario, the Advance Notice Requirement is not included in the Articles, but instead, is either set out in a policy of the applicable corporation, or more commonly in the by-laws of a corporation.

Similar to the Advance Notice Requirement, the purpose of the By-Law Amendment is to (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate

an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders. The By-Law Amendment also fixes the deadlines by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders.

The following is a brief summary of certain provisions of the By-Law Amendment and is qualified in its entirety by the full text of the By-Law Amendment, which is set out in Appendix "A" of this Circular:

Briefly, the By-Law Amendment:

- provides that advance notice to the Corporation must be given where nominations of persons for election to the board of directors are made by Shareholders other than pursuant to: (i) a "proposal" made in accordance with section 99 of the OBCA; or (ii) a requisition made in accordance with section 105 of the OBCA;
- fixes a deadline by which a registered shareholder may submit director nominations to the Corporation prior to any annual or special general meeting and sets out the specific information that must be included in the written notice to the Corporation for an effective nomination to occur;
- provides that in the case of an annual meeting, notice to the Corporation must be given no fewer than 30 days prior to the date of the meeting; provided that if the meeting is to be held on a date that is fewer than 50 days after the date on which the first public announcement of the date of the meeting was made, notice

may be given no later than the close of business on the 10th day following such public announcement;

- provides that in the case of a special general meeting that is not also an annual meeting, notice to the Corporation must be made no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made; and
- provides that the Board, in its sole discretion, may waive any requirement of the By-Law Amendment.

For the purposes of the By-Law Amendment, "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on SEDAR+ at www.sedarplus.ca.

If approved at the Meeting, the By-Law Amendment will continue to be effective in accordance with its terms. The By-Law Amendment will be subject to annual review by the Board, and will be updated from time to time to reflect changes required by securities regulatory agencies or stock exchange, or to conform to industry standards, as determined by the Board. If not approved at the Meeting, the By-Law Amendment will terminate and be of no further force and effect from and after the termination of the Meeting.

By-Law Amendment Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the By-Law Amendment. The By-Law Amendment must be approved by way of an ordinary resolution, which requires the approval of at least a majority of the votes cast by the Shareholders present virtually, or represented by proxy, at the Meeting (the “**By-Law Amendment Resolution**”). The full text of the By-Law Amendment Resolution is as follows:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Polaris Renewable Energy Inc. (the “**Corporation**”), that:

1. the amendment to By-Law No. 1 of the Corporation’ (the “ **By-Law Amendment** ”) as approved by the board of directors of the Corporation (the “**Board**”) on February 21, 2024 and as set forth in the Corporation’s management information circular dated May 17, 2024, be and is hereby ratified, confirmed, authorized and approved;
2. the Board be and is hereby authorized, in its sole discretion, to administer the By-Law Amendment and amend or modify the same from time to time in accordance with the provisions thereof,

without further shareholder approval, to reflect the changes required by securities regulatory agencies or stock exchanges, to conform to industry standards, or as otherwise determined to be in the best interests of the Corporation and its shareholders; and

3. any one director or officer of the Corporation be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Corporation, to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this special resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The Board unanimously recommends a vote for the By-Law Amendment Resolution. **In the absence of instructions to the contrary, the Common Shares represented by proxies in favour of management proxyholders will be voted FOR the By-Law Amendment Resolution.**

Approval of Continuation of the Omnibus Plan

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, approve the continuation of the Omnibus Plan for a further three (3) years as well as the grant of any unallocated Awards (as defined herein) under the Omnibus Plan. On May 1, 2024, the Board approved certain administrative changes and housekeeping revisions to the Omnibus Plan to reflect the Corporation’s continuation into Ontario, such as changing the definitions

of (i) “Affiliate” from the *Securities Act* (British Columbia) to the *Securities Act* (Ontario) and (ii) “Corporation” to reflect the continuation of the Corporation from British Columbia to Ontario, as well as the name change from Polaris Infrastructure Inc. to Polaris Renewable Energy Inc. Pursuant to the Omnibus Plan, the Board is empowered to make amendments of a “housekeeping” nature without approval of the Shareholders.

The Omnibus Plan was first approved by the Board in 2012 and adopted at the Corporation's 2012 annual and special meeting of Shareholders. The Omnibus Plan was amended and restated in May 2015, May 2017, and June 2021, and was most recently approved by Shareholders at the Corporation's 2021 annual and special meeting of Shareholders. The Corporation is seeking Shareholder approval for the renewal and continuation of the Omnibus Plan for a further three (3) years.

A detailed summary of the Omnibus Plan can be found at Appendix "C" of this Circular and a complete copy of the Omnibus Plan can be found in Appendix "D" of this Circular.

TSX rules require that security-based compensation arrangements, like the Omnibus Plan, which have unallocated awards and no fixed aggregate maximum number of securities issuable be approved every three years. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Awards under the Omnibus Plan until the Corporation's 2027 annual Shareholder's meeting (provided that such meeting is held on or prior to June 20, 2027). If approval is not obtained at the Meeting, Awards which have not been allocated or which are outstanding as of June 20, 2024 and are subsequently cancelled, terminated or exercised will not be available for a new grant of Awards. Previously allocated Awards will continue to be unaffected by the approval or disapproval of the resolution related to the Omnibus Plan.

Omnibus Plan Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Omnibus Plan. The Omnibus Plan must be approved by way of an ordinary resolution, which requires the approval of at least a

majority of the votes cast by the Shareholders present virtually, or represented by proxy, at the Meeting (the "**Omnibus Plan Resolution**"). The full text of the Omnibus Plan Resolution is as follows:

"**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Polaris Renewable Energy Inc. (the "**Corporation**"), that:

1. the Omnibus Plan is renewed and approved as the omnibus long-term incentive plan of the Corporation and the Corporation has the ability to continue granting awards under the Omnibus Plan until June 20, 2027, which is that date that is three (3) years from the date of the Meeting at which Shareholder approval of the Omnibus Plan is being sought;
2. the unallocated awards under the Omnibus Plan are hereby approved;
3. any one director or officer of the Corporation be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Corporation, to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

The Board unanimously recommends a vote for the Omnibus Plan Resolution. **In the absence of instructions to the contrary, the Common Shares represented by proxies in favour of management proxyholders will be voted FOR the Omnibus Plan Resolution.**



PART THREE

Statement of Corporate Governance Practices

The Corporation and the Board recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its employees, Shareholders and other stakeholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value while taking into account the interests of other stakeholders. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires the Corporation to disclose its approach to corporate governance. National Policy 58-201 – *Corporate Governance Guidelines* is not intended to be prescriptive, but encourages the Corporation to apply the guidelines set out therein to the development of the Corporation's governance practices.

Constitution of the Board of Directors

As at the date of the Circular, the Board is comprised of six (6) directors. The composition of the Board reflects a breadth of backgrounds and experience that is important for effective governance and oversight of an international corporation in the geothermal and hydroelectric energy industries. Management and the Board believe that given the size of the Corporation and the geographic span of its business, it is appropriate to have six (6) members of the Board.

In accordance with securities laws applicable in Canada, a director is "independent" if he or she has no direct or indirect material relationship with the Corporation. Applicable Canadian securities laws outline certain situations in which a director is considered to be in a material relationship with the Corporation. In addition, the Board may determine that a director is not "independent" if, in the view of

the Board, the director has a relationship which could be reasonably expected to interfere with the exercise of such director's independent judgement.

Currently, as laid out below, the majority of the Board is independent with five (5) of the six (6) directors being independent. Mr. Murnaghan, the sole non-independent director, is not independent by virtue of him being the Chief Executive Officer of the Corporation. In order to facilitate the exercise of independent judgment, the independent members of the Board may schedule meetings as they see fit at which the non-independent directors and members of management are not in attendance. In addition, the Board holds in camera sessions for independent members during each Board meeting to facilitate open and candid discussion amongst the independent directors.

INDEPENDENT STATUS

Name	Independent	Not Independent
Marc Murnaghan		✓ He is the Chief Executive Officer of the Corporation.
Jaime Guillen	✓	
James V. Lawless	✓	
Marcela Paredes de Vásquez	✓	
Catherine Fagnan	✓	
Adarsh P. Mehta	✓	

Charter of the Board of Directors

The Board is responsible for the stewardship of the Corporation and for the supervision of the management of the business and affairs of the Corporation. The Board has adopted a formal

charter setting out the role and responsibilities of the Board, a text of which is set out in Appendix "B" to this Circular (the "**Board Charter**").

Chair of the Board

The role of the Chair is to provide leadership to the Board, manage the affairs of the Board and seek to ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chair presides at each meeting of the Board and is responsible for coordinating with management to seek to ensure that documents are delivered to the directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for the Board's consideration at meetings and that the Board has an appropriate opportunity to discuss issues at each meeting, such that the Board is able to

carry out its duties to oversee the management of the business and affairs of the Corporation. The Chair is responsible for communicating with each Board member, seeking to ensure that each director has the opportunity to be heard, that each director is accountable to the Board and that the Board and each committee is discharging its duties. The Chair is also responsible for organizing the Board to function independently of management, and arranging for the independent directors to meet without non-independent directors and management present. Mr. Guillen has been Chair of the Board since March 4, 2020.

Position Descriptions

The Board has adopted a written position description for the Chair, each of its committee chairs and the Chief Executive Officer.

The position description for the Chair sets out the Chair's key responsibilities, including, among

others, duties relating to (i) providing overall leadership and enhancing the effectiveness and performance of the Board, (ii) fostering ethical and responsible decision making by the Board, and (iii) other duties relating to setting Board meeting agendas, chairing Board and

shareholder meetings, director development and communicating with shareholders and regulators.

The position description for the chair of each committee of the Board sets out the key responsibilities of such chair,, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The position description for the Chief Executive Officer sets out the key responsibilities of the Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Board for consideration, and supervising day-to-day management and communicating with shareholders and regulators.

Orientation and Education

New members of the Board are provided with the necessary information about the role of the Board and its committees and the Corporation, its business and the factors that affect its performance by management and by other members of the Board. In addition, the Board and the committees receive updates as necessary with respect to applicable regulatory or other requirements relating to the role and responsibilities of directors, the Board or the relevant committee. As part of their continuing education, the Board and the committees also receive regular presentations from management, related to specific aspects of the Corporation's business.

The Human Resources and Environmental, Social and Governance Committee ("**HR & ESG Committee**"), by its charter, is responsible

for considering, organizing, reviewing and recommending to the Board continuing education programs and policies. The Corporation intends to provide all directors with appropriate opportunities when required to maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Corporation's business remains current. A full text of the charter is available on the Corporation's website at <https://polarisrei.com/>.

In addition, management of the Corporation regularly meets with external counsel to discuss regulatory changes and corporate governance best practices that affect the Corporation, and occasionally will ask external counsel to present to the Board on relevant topics.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**"). The Code applies to all directors, officers, employees and consultants/contractors of the Corporation and its subsidiaries. The Code provides a framework of guidelines and principles to encourage ethical and professional behaviour in conducting the business of the Corporation and its subsidiaries. The full text of the Code

is available at www.sedarplus.ca and on the Corporation's website at <https://polarisrei.com/>.

Those that are subject to the Code are expected to be familiar with the Code and may be required, from time to time, to affirm their agreement and compliance with the Code. The Code includes procedures for reporting suspected violations of the Code. The Board expects management

to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest levels of integrity.

The Code was developed by the Corporation in consultation with the HR & ESG Committee. The Audit Committee exercises oversight with respect to the Code and receives periodic reports from management with respect to any reports

of alleged violations of the Code. Employees are required to complete annual certification confirming that they understand and agree to abide by the requirements of the Code, that they are in compliance with the requirements of the Code and that they are not aware of any potential misconduct under the Code that has not been reported to appropriate Corporation management.

Nomination of Directors

In making recommendations to the Board regarding individuals qualified to become directors, the HR & ESG Committee considers the desired qualifications, skills and attributes for service on the Board. These include:

- high personal and professional ethics, integrity, practical wisdom and mature judgement;
- board training or prior public company board service, and/or senior executive experience in business, government or energy;
- willingness to devote the required amount of time to carrying out the duties and responsibilities of Board service; and

- willingness to represent the best interest in the Corporation and its operations and objectively appraise management's performance.

The HR & ESG Committee will also consider additional attributes such as other directorships, change in employment status, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee would bring to the Board. In carrying out its responsibilities, the HR & ESG Committee is expected to have the authority to retain an outside advisor to assist in its duties.

Committees of the Board

The Board has approved a charter for each committee and delegated responsibilities as set out in those charters. Every year, each committee reviews its charter and determines whether it has fulfilled that charter. Any revisions to a charter are also reviewed annually by the HR & ESG Committee and approved by the Board. For the financial year ended 2023, each committee is satisfied that it has fulfilled its charter.

Audit Committee

NI 52-110 requires issuers to include the charter of the Audit Committee and disclose information with respect to the composition, education and experience of the members of the Audit Committee, as well as all fees paid to external auditors in their annual information form. Please refer to our website at <https://polarisrei.com/> for a copy of the Audit Committee charter.

The Audit Committee is charged with a mandate of assisting the Board in overseeing the financial reporting and disclosure of the Corporation. This oversight includes (a) reviewing the financial statements and the financial disclosure that is provided to the Shareholders and disseminated to the public, (b) reviewing the systems of internal controls to maintain integrity in the financial reporting of the Corporation, and (c) overseeing and monitoring the independence and performance of the Corporation's external auditors and reporting directly to the Board on the work of the external auditors.

In addition, the Audit Committee holds regular *in camera* sessions following regularly scheduled Audit Committee meetings, during which it meets separately with the Chief Financial Officer and the head of the external financial auditors separately as a committee. The charter of the Audit Committee grants it sole authority to retain and terminate any legal, financial or other advisors, consultants and experts to the Audit Committee, including sole authority to approve the advisors' fees and other retention terms. The Audit Committee's charter also requires that it periodically review the adequacy of its charter and recommend any proposed changes to the Board for consideration.

2023 Responsibilities and Highlights

Financial Reporting	External Auditors	Internal Controls
<p>Review the integrity of the Corporation's financial statements and financial disclosure and recommend for Board approval;</p> <p>Review the consolidated annual and interim financial statements, external auditors' report and management's discussion and analysis and recommend for Board approval; and</p> <p>Review any material changes in accounting policies and practices.</p>	<p>Review and approve the external auditors' annual audit plan;</p> <p>Review the qualifications and performance of the external auditors annually;</p> <p>Review the external auditor's compensation and recommend compensation for the external auditors for Board approval annually;</p> <p>Review and approve non-audit services to the Corporation or its subsidiaries by the external auditors; and</p> <p>Select and recommend external auditors for appointment by shareholders annually.</p>	<p>Monitor the Corporation's system of internal controls; and</p> <p>Review the effectiveness of the design and operation of the Corporation's system of internal controls annually.</p>

The Board believes that the composition of the Audit Committee reflects a high level of financial literacy and experience. All members of the Audit Committee are "financially literate" as required by securities laws applicable in Canada. The Board has made such a determination based on the experience and education of each Audit Committee member. The current members of the Audit Committee are Mr. Guillen (Chair),

Ms. Paredes de Vásquez, Ms. Mehta, and Ms. Fagnan each of whom is independent under NI 52-110. The following is a description of the education and experience of each current member of the Audit Committee as at the date of this Circular that is relevant to the performance of his or her responsibilities as a member of the Audit Committee.

Jaime Guillen (Chair)

Mr. Guillen holds a Bachelor of Science in Nuclear Engineering from Massachusetts Institute of Technology and a Master of Business Administration from Stanford University. Mr. Guillen is Managing Partner at Faros Infrastructure Partners LLC, an investment firm with offices in the United Kingdom and the United States, and is Partner, Investment Committee member, and Asset Management Committee member of the various energy and infrastructure funds managed by FIP's affiliate, Mexico Infrastructure Partners. He has over 25 years of experience in the development, investment, financing, management and divestiture of energy and infrastructure projects. Mr. Guillen previously served as the Chief Executive Officer of Alterra Partners, an investment joint venture between Singapore Changi Airport and Bechtel, a United States engineering company. He also previously served as the Managing Director of Bechtel Enterprises in Latin America, President of Bechtel Enterprises in Brazil and Director of Bechtel Enterprises of Mexico – responsible for developing, investing in, and managing infrastructure investments.

Marcela Paredes de Vásquez

Marcela is currently a Titular Professor at the Technological University of Panama. She was the Ambassador of Panama to Chile, a post she held from September 2018 until June 2019. Prior to this, Marcela was the Minister of Education for Panama from 2014 through 2018, and held various positions, including President, at the Technological University of Panama from 1989 through 2013. Marcela holds a DHL from Wilkes University, a Master of Science in Electric Power Engineering from Rensselaer Polytechnic Institute, and a BS in Electromechanical Engineering from Technological University of Panama.

Catherine Fagnan

Ms. Fagnan is Associate General Counsel at Green Infrastructure Partners where she leads the legal group and is a member of the Executive Team. Green Infrastructure Partners is a large and diverse Canadian infrastructure company that offers vertically integrated solutions for public and private projects of varying size and scale. Prior to this role, Catherine was Associate General Counsel with TELUS Communications; Senior Counsel at Lafarge Canada (Holcim); and senior business and tax law associate at McCarthy Tetrault LLP. She is trilingual and holds a joint MBA from Kellogg Schulich as well as her ICD.D designation obtained from the Rotman/Institute of Corporate Directors program.

Adarsh Mehta

Adarsh Mehta is VP of Business Development for Jenner Renewable Consulting, where she provides renewable energy analysis to mining companies to assist them in achieving their ESG goals. Ms. Mehta also serves as a Director of the Board and member of the Audit Committee of Synex Renewable Energy Corp. She served as a member of the Board of Directors of the Canadian Wind Energy Association (CanWEA) from 2008-2015. She became Chairperson of the CanWEA Board in 2011 where she spearheaded the promotion and guidance for wind energy growth in Canada. Ms. Mehta is a volunteer and co-founder of My 100 Percent, a registered Canadian charity which helps disadvantaged children and women globally to rise out of poverty. Ms. Mehta holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Science degree from the University of Alberta, and a joint MBA degree from the Kellogg School of Management and Schulich School of Business.

HR & ESG Committee

The current members of the HR & ESG Committee are: Ms. Paredes de Vásquez (Chair), Mr. Guillen, Mr. Lawless, and Mrs. Fagnan. All members of the HR & ESG Committee are required to be independent.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the HR & ESG Committee. The HR & ESG Committee's purpose is to assist the Board in:

- the appointment, performance, evaluation and compensation of senior executives;
- the recruitment, development and retention of senior executives;
- maintaining talent management and succession planning systems and processes relating to executive executives;
- developing compensation structure for senior executives including salaries, annual and long-term incentive plans including plans involving equity issuances and other equity-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with compensation policies and practices;
- assessing the compensation of directors;
- adopting benefit retirement and savings plans;
- developing corporate governance guidelines and principles;
- identifying individuals qualified to be nominated as members of the Board;
- overseeing director orientation and continuing education;
- administering the Corporation's equity incentive plans;
- reviewing the structure, composition and mandate of committees of the Board;
- evaluating the performance and effectiveness and the Board and committees of the Board;
- monitoring safety, environmental and social responsibility performance; and
- monitoring compliance with applicable laws related to safety, cybersecurity, environment and social responsibility.

The HR & ESG Committee is responsible for establishing and implementing procedures to evaluate the performance and effectiveness of the Board, committees of the Board and the contributions of individual Board members, as well as review, monitor and ensure compliance with safety, environmental and social responsibility laws and guidelines. The HR & ESG Committee also takes reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of the Board, committees of the Board, individual Board members, the Chair and committee chairs. The assessment addresses, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. The Board receives and considers the recommendations from the HR & ESG Committee regarding the

results of the evaluation of the performance and effectiveness of the Board, committees of the Board, individual members, the Chair and committee chairs. The HR & ESG Committee is also responsible for orientation and continuing education programs for the directors (see also “— Orientation and Education”) as well as reviewing risks related to health, safety

and the environment and the procedures management has designed to manage such risks. Further particulars of the process by which compensation for the Corporation’s executive officers is determined is provided under “Compensation Discussion and Analysis”.

Board and Committee Self Evaluation

The annual Board and committee self-evaluation process was adopted by the Board based on the review and recommendation of the HR & ESG Committee. The process considers such matters as: participation and involvement of Board and committee members; oversight and effectiveness of the Board and its committees as to key functions; quality and adequacy of materials and information provided to the Board and committees, both for and between meetings; Board and committee composition; and, with respect to the committees, fulfillment of accountabilities delegated from the Board and outlined in the individual committee charters. Feedback is solicited from Board and committee members on these and other important areas formally and informally by the Corporation’s Corporate Secretary.

The feedback solicited by the Corporation’s Corporate Secretary is designed to solicit responses related to the performance of individual directors and members of senior management. Board members are free to provide any additional comments directly to the Chief Executive Officer or Corporate Secretary at any time.

The feedback is reviewed by the HR & ESG Committee to fulfill its oversight role, to facilitate the evaluation process, and so that any areas of improvement for the Board and/or any committee surface through the self-evaluations, including any suggestions for improvement in the self-evaluation process, are reviewed and, if appropriate, addressed.

The HR & ESG Committee reviews the Board and committee self-evaluation process annually and conducts its own evaluation of the performance and effectiveness of the Board and committees. As a result of this review, the HR & ESG Committee may revise aspects of the overall process to reflect changing circumstances, to include feedback from directors, or to incorporate modifications designed to improve the overall process.

Term Limits

Industry and institutional knowledge along with commitment and expertise are vital to the successful functioning of the Board. Given the nature and size of the Corporation's business and its industry, the Board has determined that while it is committed to fostering diversity among Board members, it would be unduly restrictive and not in the best interest of the Corporation to adopt specific director term limits. Diversity and Board renewal will be supported through the other mechanisms designed to address the needs of the Corporation (as described below under the

heading "*Board and Senior Executive Diversity*") and not through the imposition of term limits on directors. The Corporation takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the board solely because of length of service. It is in the best interest of the Corporation not to have a mandatory retirement requirement for directors.

Board and Senior Executive Diversity

The Corporation recognizes the importance and benefit of having a Board and senior management comprised of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and senior management with respect to attributes such as gender, ethnicity and other factors.

In support of this goal, when identifying candidates to nominate for election to the Board or appoint as senior management, the HR & ESG Committee:

- considers individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regard to the Corporation's current and future plans and objectives, as well as anticipated regulatory and market developments;
- considers criteria that promotes diversity, including with regard to gender, ethnicity, and other dimensions;
- considers the level of representation of women on the Board and in senior

management positions, along with other markers of diversity, when making recommendations for nominees to the Board or for appointment as senior management and in general with regard to succession planning for the Board and senior management; and

- as required, engages qualified independent external advisors to assist the Board in conducting its search for candidates that meet the Board's criteria regarding skills, experience and diversity.

The Corporation has adopted a formal policy for the representation and nomination of women on the Board and in senior management positions consistent with the Corporation's commitment to diversity described above. The Corporation will strive to ensure that the Corporation has no less than 30% of the Board comprised of members who identify as women or, where there are fewer than 8 members, no less than 25% of the Board.

As of the date of this Circular, there are three (3) women on the Board, representing 50% of the directors. None of the Corporation's executive officers identifies as a woman.

Majority Voting Policy

The Board has adopted a majority voting policy to ensure that each member of the Board carries the confidence and support of the Shareholders (the “**Majority Voting Policy**”). In an uncontested election of directors of the Corporation to which the Majority Voting Policy applies, each director should be elected by the vote of a majority of the Common Shares represented online by registered shareholder or by proxy at the Shareholders meeting convened for such election of directors. If any nominee for director receives a greater number of votes “withheld” from his or her election than votes “for” such election, the Majority Voting Policy requires that such director promptly tenders his or her resignation to the Board following the meeting, to be effective upon acceptance by the Board. In such a case, the HR & ESG Committee will review the circumstances of the election and make a recommendation to the Board as to whether or not to accept the tendered resignation. Any director who has tendered his or her resignation may not participate in the deliberations of the HR & ESG Committee or the Board. The Board must accept the tendered resignation, except in situations where exceptional circumstances would warrant the director to continue to serve on the Board, as soon as reasonably possible and in any event within 90 days of the election and announce its decision through a press release.

Subject to any corporate law restrictions or requirements, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual meeting of Shareholders.

Alternatively, it may fill any resulting vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or it may call a special meeting of Shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions. The Majority Voting Policy does not apply in circumstances involving contested director elections.



PART FOUR

Compensation of Directors

Compensation of the Chair

The HR & ESG Committee is responsible for reviewing and making recommendations to the Board in respect of the compensation of directors, including the Chair. The HR & ESG Committee is also responsible for evaluating the Chair's performance in light of achievement of the Corporation's goals and objectives, and making recommendations to the Board with respect to the Chair's compensation level.

Director Compensation Program

The Board, with the assistance of the HR & ESG Committee reviews its director compensation periodically to conform to the evolving needs of the Corporation. The HR & ESG Committee recommends changes in director compensation to the Board for approval when considered appropriate or necessary to:

- recognize the workload, time commitment and responsibility of Board and committee members;

- align the interests of members of the Board with the Shareholders through equity incentives; or
- recruit and retain qualified individuals to serve as members of the Board and to contribute to the overall success of the Corporation.

Equity Ownership Policy

The Board believes in aligning the interests of directors and executive officers and its Shareholders. Upon recommendation of the HR & ESG Committee, the Board has adopted an equity ownership policy (the "**Equity Ownership Policy**") requiring directors to hold at least two (2) times the total value of their annual retainer in Common Shares or DSUs. Directors must meet the requirement within five (5) years from the later of June 23, 2023

or the date of their appointment to the Board. Those directors who are not in compliance with their respective ownership requirements are given the option to elect to receive not less than 40% of their annual retainer in the form of DSUs, or retain an amount equal to 40% of their net Common Shares received as a result of the exercise of stock options or the vesting of any share-based awards.

Director Compensation Components

Our non-executive directors are paid an annual retainer which is payable part in cash, and part in equity awards as set out below. Further, an additional cash retainer is paid to the Chair as well as to the chair of each committee of the Board as set out below. The following table sets

out the annual retainer that was paid quarterly to each of the directors in 2023 as well as the additional retainer paid to the Chair's of each committee. No retainer or other compensation are paid to executive directors for their role as a director.

Compensation amounts in USD, unless otherwise noted.

Board Member Annual Retainer	\$65,000
Chair Additional Annual Retainer	\$20,000
Committee Chair Additional Annual Retainer	\$5,000

Director Summary Compensation

The following table sets forth all compensation provided to the non-executive directors for the Corporation's most recently completed financial year.

Name	Fees earned	Share-based awards ⁽¹⁾	Option-based awards	Non-equity incentive plan compensation	Pension value	All other comp.	Total
Jaime Guillen	\$70,000	-	-	-	-	-	\$70,000
James V. Lawless	\$45,000	-	-	-	-	-	\$45,000
Marcela Paredes de Vásquez	\$47,500	-	-	-	-	-	\$47,500
Catherine Fagnan	\$13,500	\$9,000	-	-	-	-	\$22,500
Adarsh Mehta	\$22,500	-	-	-	-	-	\$22,500

Notes:

(1) Share-based awards are in respect of DSUs including related dividends for the period.

Director Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based awards and option-based awards outstanding at the end of the most recently completed financial year for each of the Corporation's non-executive directors.

Name	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market value or payout value of share-based awards that have not vested	Market value or payout value of share-based awards not paid out or distributed
Jaime Guillen	-	-	-	-	-	-	\$72,923
James V. Lawless	-	-	-	-	-	-	\$66,171
Marcela Paredes de Vásquez	-	-	-	-	-	-	\$78,155
Catherine Fagnan	-	-	-	-	-	-	\$9,043
Adarsh Mehta	-	-	-	-	-	-	-

Director Share-Based Awards – Value Vested or Earned During Year

The following table sets forth the value vested or earned on option-based, share-based and non-equity incentive plan awards during the most recently completed financial year for each of the Corporation's non-executive directors.

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Jaime Guillen	-	-	-
James V. Lawless	-	-	-
Marcela Paredes de Vásquez	-	-	-
Catherine Fagnan	-	-	-
Adarsh Mehta	-	-	-



PART FIVE

Executive Compensation

Report of the HR & ESG Committee

Dear Shareholders,

Thank you for your ongoing support in our continued growth and success. We are grateful that you have entrusted your confidence in us to effectively carry out our mandate. We are very pleased with our management team and employees' performance. Their commitment to our business has enabled us to successfully execute on our business strategy and meet our key objectives.

Going-forward, we will continue to review best practices on executive compensation and related governance trends in an effort to continually develop our programs and practices over time. As a first step in this process, in early 2023, we hired Willis Towers Watson ("WTW"), a leading independent consulting firm, to assist and advise us with respect to executive and director compensation and related governance practices. This enhanced our disclosure of compensation programs and demonstrate the alignment of these programs with our business strategy, the attraction and retention of executives to successfully execute our strategy, and fulfillment of long-term shareholder value creation.

In order to continue to create shareholder value, while keeping the interests of our other stakeholders in mind in a very fluid and dynamic environment, we continue to be focused on managing our assets, business and investments related to the production, delivery and sale of energy-related solutions. We continue to focus on our key strategic objectives to successfully execute on our strategy, building facilities, operating facilities and organizational effectiveness.

The following are certain policies and practices that have been adopted by the HR & ESG Committee:

Policies and Practices	Highlights
Risk Assessment of Compensation Program	The HR & ESG Committee annually reviews the Corporation's compensation program to ensure that it does not encourage excessive or inappropriate risk-taking.
Peer Group Benchmarking	Established a peer group against which to benchmark executive compensation decisions.
Anti-Hedging Policy	Adopted a policy that prohibits executive officers from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares.
Independent Compensation Consultant	During the first quarter of 2023, the HR & ESG Committee engaged WTW, a leading independent consulting firm, to assist in the benchmarking of compensation for executive officers and directors of the Corporation.

As we continue to grow, we remain committed to the belief that long-term Shareholder returns are bolstered by a healthy balance among all of our stakeholders' including equity and debtholders, employees, customers, the communities in which our business operates, and the environment. Our commitment to sustainability is rooted in our business strategy and our corporate values.

Our strength in growing our business remains with our employees and our leadership team. Throughout this past year, we have seen the Polaris team continue its commitment to our business and its success and appreciate all of the work and effort of all team members that helped us achieve our strong results in a safe and reliable manner.

Members of the HR and ESG Committee

Compensation Discussion and Analysis

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to evaluating

compensation of its named executive officers (the "NEOs"). The Corporation has three NEOs as set out in the table below.

Named Executive Officers

Name	Title
Marc Murnaghan	Chief Executive Officer
Anthony Jelic	Chief Financial Officer
Alexis Osorno	SVP, Latin America

Objectives of Compensation Program

The Corporation operates in a complex and demanding industry in multiple foreign jurisdictions. To succeed in this environment and to achieve our business and financial objectives, we need to attract, retain and motivate a highly talented team of executive officers. It is expected that the team possess and demonstrate strong leadership and management capabilities with a view to optimizing Shareholder value.

The executive officer compensation program is designed to achieve the following objectives:

- provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to the success of the Corporation;
- reward executive officers for their contribution to the overall success of the Corporation and motivate them to achieve the Corporation's stated business and financial objectives;
- align the interests of our executive officers with those of our Shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of the business; and
- provide incentives that encourage appropriate levels of risk-taking by our

executive officers and provide a strong pay-for-performance relationship.

The Corporation offers the executive officers cash compensation in the form of base salary and an annual bonus, and equity-based or equity-like compensation.

While it has been determined that the current executive officer compensation program is effective at attracting and maintaining executive officer talent, the Corporation continues to evaluate its philosophy and compensation program as circumstances require and plans to continue to review compensation on an annual basis. To that end, the HR&ESG committee, as part of its mandate, is involved in the selection process of the advisor providing compensation related services and the HR& ESG committee must also pre-approve other services the advisor provides to the Company at the request of management.

Executive Compensation Related Fees

The following table outlines the aggregate advisor fees related to Executive Compensation approved by the HR&ESG committee for each of the two most recently completed financial years "(in USD)":

Advisor Fees	Year ended December 31,	
	2023	2022
Executive Compensation Related Fees	\$45,535	-
All Other Fees	-	-

Benchmarking and Comparator Groups

In 2023, the HR & ESG Committee approved two comparator groups proposed by WTW for executive compensation benchmarking purposes.

1. Industry Specific (Main Peer Group with 11 Companies)

- A group composed of 11 companies from the Renewable Electricity sector.

2. Broader Sector Extended Secondary Peer Group that includes the companies of the Main Peer Group (24 Companies in Total)

- A group of 24 companies including 13 companies from the Electrical Equipment sector and the Electrical Utilities sector as well as the 11 from the Main Peer Group.

The HR & ESG Committee and the Board are satisfied that these two groups of peer companies reflect the market for talent of the Corporation.

Selection Criteria

Main Peer Group

The companies included in this group must meet most of the following criteria:

- Industry → Operating in the Renewable Energy sector
- Size → Less than \$2B in revenues
- Ownership structure → Canadian and select U.S. industry related publicly traded companies
- Geography → Similar head office location (US and Canadian based companies)

Extended Secondary Peer Group

The additional companies added to the Main Peer Group must meet the following criteria :

- Industry → Electrical Equipment or Electric Utilities
- Size → Less than \$1B in revenues
- Ownership Structure → Similar to Main Peer Group
- Geography → Similar to Main Peer Group

Comparator Groups Constituents

<i>Companies in Main Peer Group</i>	<i>Companies Added for Extended Secondary Peer Group</i>
1. Altus Power, Inc.	1. Altius Minerals Corporation
2. Boralex Inc.	2. Dragonfly Energy Holdings Corp.
3. Clearway Energy, Inc.	3. Enerflex Ltd.
4. Innergex Renewable Energy Inc.	4. GBLT Corp.
5. Jade Power Trust	5. Hammond Manufacturing Company Limited
6. Montauk Renewables, Inc.	6. Hammond Power Solutions Inc.
7. NextEra Energy Partners, LP	7. K-Bro Linen Inc.
8. Northland Power Inc.	8. Maxim Power Corp.
9. Ormat Technologies, Inc.	9. Mercer International Inc.
10. Sunnova Energy International Inc.	10. Orion Energy Systems, Inc.
11. TransAlta Renewables Inc.	11. Resolute Forest Products Inc.
	12. Shoals Technologies Group, Inc.
	13. Ultralife Corporation

Compensation Risk

The HR & ESG Committee is responsible for establishing policies and procedures designed to identify and mitigate risks associated with the Corporation's compensation policies and practices. The Corporation mitigates executive compensation risk through such corporate governance oversight and policies, as well as the design of executive compensation.

Hedging/Anti-Hedging Policy

The NEOs and the directors are, as a matter of policy, not permitted to purchase financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted as or underlying share-based compensation or otherwise held directly or indirectly by a NEO or a director. The full text of this policy is included in the *Corporate Policy Manual – Insider Trading Policy*, which is available on the Corporation's website at <https://polarisrei.com/>.

Equity Ownership Policy

As noted in Part Four – Compensation of Directors, the Board has adopted the Equity Ownership Policy setting out certain equity ownership requirements for directors and executive officers. As for executive officers, the CEO is required to hold at least three (3) times the total value of their annual base salary, and the CFO is required to hold at least one and a half (1.5) times the total value of their annual base salary. Executive officers must meet the

requirement within five (5) years from June 23, 2023. Those executive officers who are not in compliance with their respective ownership requirements are given the option to elect to receive not less than 40% of their annual short-term bonus in the form of restricted share units, or retain an amount equal to 40% of their net Common Shares received as a result of the exercise of stock options or the vesting of any share-based awards.

Compensation Components

The compensation of the Corporation's NEOs includes three major components: (i) base salary; (ii) annual bonus; and (iii) long-term equity incentives. Perquisites and personal benefits are not a significant part of compensation of our NEOs.

Base Salary

The primary element of the Corporation's compensation program for our NEOs is base salary. Base salary is provided as a fixed source of compensation for our NEOs. A competitive base salary is a necessary element for attracting and retaining qualified executive officers and employees. Individual salary levels are determined according to a number of factors, including the individual's performance, responsibilities and experience. To ensure that the Corporation will continue to attract and retain qualified and experienced executives, base salaries are reviewed and adjusted annually and as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive officer's role or responsibilities, as well as to maintain market competitiveness. The HR & ESG Committee does not recommend any changes in base salary to the Board.

Bonus Program

The annual bonus plan for the CFO includes the following qualitative targets and measures: successful financial reporting process, assistance on corporate acquisitions and new projects, achieving corporate efficiencies, leading the overall ESG strategy, corporate IT and security including implementation of a new ERP system, and leading the tax planning for the Corporation.

The HR & ESG Committee assigns relative weightings to each of the quantitative and qualitative objectives and targets at the beginning of the year based on the strategic planning process. Each quantitative and qualitative objective is assessed at the end of the year relative to the target and a score, relative to 1.0, is given. This results in a weighted average performance score for the year, relative to target, and is applied to calculate the size of the bonus relative to the executive officer's base salary.

For 2023, the bonuses paid to the above-mentioned NEOs were materially in line with their target levels.

For the year 2024, the target cash bonuses expressed as a percentage of base salary will be 60% for the Chief Executive Officer and approximately 30% for the Chief Financial Officer.

Long-Term Equity Incentive Compensation

Long-term incentive compensation awards provide motivation for our officers, employees, consultants and directors to achieve our business and financial objectives, and also align their interests with the long-term interests of our Shareholders. Our HR & ESG Committee reviews, evaluates and considers equity grants to NEOs annually both as an important component of the NEO's overall compensation package and to ensure appropriate levels of share ownership.

The HR & ESG Committee realizes the importance of aligning long-term incentive compensation for the NEOs with the long-term strategic objectives and value creation goals of the Corporation. Long-term equity compensation is typically given by granting awards under the Omnibus Plan. As part of the engagement by the Corporation of WTW, the HR & ESG Committee granted certain awards under the Omnibus Plan to the NEOs, in order to accomplish this key objective. Details of the Omnibus Plan, including default vesting terms are set out in "Appendix C – Omnibus Plan".

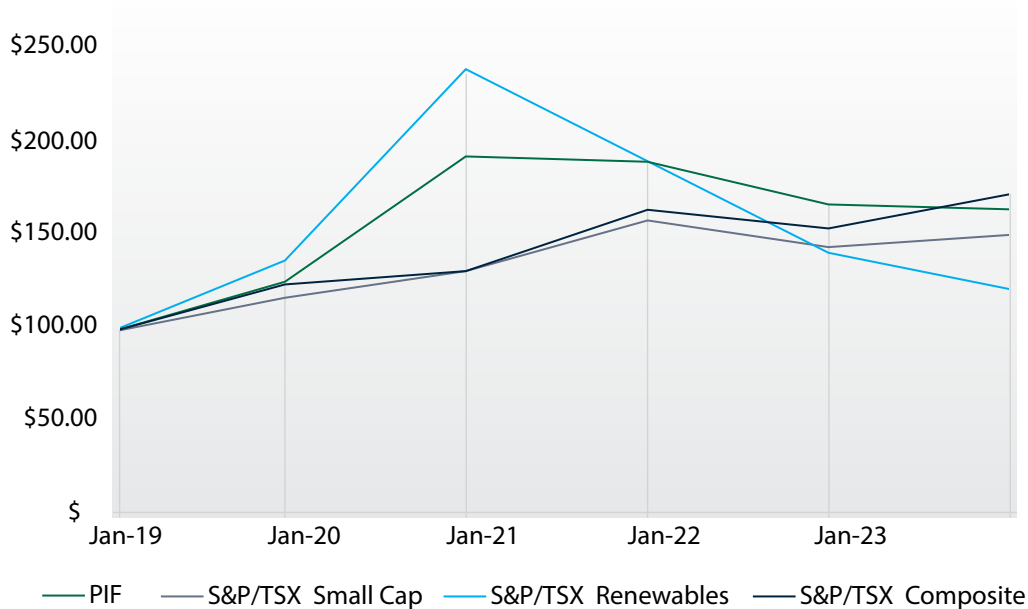
Share-Based and Option Based Awards

The granting of share-based and option-based awards to NEOs are approved by the Board, upon recommendation from the HR & ESG Committee. Please see "Appendix C – Omnibus Plan" for a discussion regarding the process the Corporation uses to grant share-based and option-based awards to executive officers. Previous grants of share-based or option-based awards may be taken into account when considering new grants, however, varying circumstances are also considered.

Performance Graph

The following graph illustrates over the period January 1, 2019 to December 31, 2023, the total cumulative Shareholder return of an investment in Common Shares compared to the cumulative return of an investment in the S&P/

TSX Renewable Energy and Clean Technology Index, the S&P/TSX SmallCap Index and the S&P/TSX Composite Index, assuming that C\$100 was invested on January 1, 2019.



The market price for the Common Shares is impacted by a number of external factors including the overall market sentiment and

confidence in the future of the alternative energy technology sector.

Summary Compensation Table

The following table sets forth information with respect to executive compensation paid to the NEOs for services rendered in all capacities to the Corporation and its subsidiaries for the three (3) most recently completed fiscal years.

Other than those individuals who are included in the following table, no other individuals are considered "NEOs" as such term is defined in Form 51-102F6 – *Statement of Executive Compensation*.

Name and Principal Position	Year	Salary	Non-equity incentive plan compensation		Share-based awards	Option-based awards	All other compensation ⁽²⁾	Total compensation
			Annual incentive plans ⁽¹⁾	Long term incentive plans				
MARC MURNAGHAN, Chief Executive Officer	2023	\$396,953	\$120,447	-	-	-	\$8,503	\$525,902
	2022	\$403,830	\$245,183	-	-	-	\$7,348	\$656,361
	2021	\$394,384	\$162,486	-	-	-	\$6,033	\$562,903
ANTHONY JELIC, Chief Financial Officer	2023	\$223,286	\$52,057	-	-	-	\$8,503	\$283,846
	2022	\$227,154	\$86,535	-	-	-	\$7,348	\$321,037
	2021	\$221,841	\$61,524	-	-	-	\$6,033	\$289,398
ALEXIS OSORNO, SVP Latin America	2023	\$180,000	\$12,000	-	-	-	\$22,087	\$214,087
	2022	\$168,000	\$10,802	-	-	-	\$21,087	\$199,889
	2021	\$168,000	\$10,802	-	-	-	\$21,087	\$199,889

Notes:

- (1) The annual incentive plan compensation relates to a cash bonus in the fiscal year.
- (2) Where not separately disclosed, all other compensation represents health and insurance premiums and employer taxes paid. In the case of Mr. Osorno, it also includes the "Aguinaldo", a legislated 13th month payment in the jurisdiction in which he is employed.

Named Executive Officer Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares not vested	Market value or payout value of share based awards not vested ⁽²⁾	Market value or payout value of share-based awards not paid out or distributed
MARC MURNAGHAN	40,499	C\$14.77	10-Aug-26	-	7,185	\$71,873	-
ANTHONY JELIC	13,329	C\$14.77	10-Aug-26	-	818	\$8,183	-
ALEXIS OSORNO	-	-	-	-	-	-	-

Notes:

- (1) Value based on the 'in the money' amount (the difference between the closing price of the Common Shares on the TSX on December 31, 2023 of C\$13.23 and the exercise price of the option) of options held as of December 31, 2023.
- (2) Market value or payout value of share-based awards not vested of RSUs held as of December 31, 2023 vest in equal tranches over the three-year vesting period.

Named Executive Officer Incentive Plan Awards – Value Vested or Earned During Year

For each NEO, the following table sets forth the value vested or earned on option-based, share-based and non-equity incentive plan awards during the most recently completed financial year.

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
MARC MURNAGHAN	-	-	\$120,447
ANTHONY JELIC	\$143,519	-	\$52,057
ALEXIS OSORNO	-	-	\$12,000

Pension Plan Benefits

The Corporation does not offer pension plan benefits to its NEOs.

Deferred Compensation Plans

The Corporation does not offer deferred compensation plan benefits to its NEOs.

Termination and Change in Control Provisions

The Employment Agreements for Mr. Murnaghan and Mr. Jelic. provide for certain payments in connection with the termination of the NEO, including in relation to a termination following a change in control of the Corporation.

The table below sets out the compensation payable to an NEO upon termination / change in control in various circumstances.

No incremental amounts are triggered by the other termination scenarios. Pursuant to the applicable employment agreement, each NEO is only awarded payments in relation to a change of control (as defined in the employment agreement) of the Corporation if the NEO is terminated or resigns for Good Reason (as defined in the employment agreement) within 12 months of the change of control.

Compensation Element	Resignation	Retirement	Termination without Cause	Termination without Cause or within 12 months of Change in Control	Termination with Cause	Death	Disability
Severance	None	None	CEO: 1 full year of base salary CFO: four months' base salary plus one (1) additional month per year of service until a maximum of twelve (12) months	CEO: 2 full years of base salary CFO: 18 months of base salary	None	None	None
Base Salary	Ends on resignation	Ends on retirement	Ends on termination	Ends on termination	Ends on termination	Ends on death or disability	
STIP	Award forfeited	Award prorated (TBC)	Award prorated (TBC)	Award prorated (TBC)	Award forfeited	Award prorated (TBC)	Award prorated (TBC)
RSUs	Regular Vesting Schedule	Regular Vesting Schedule	Regular Vesting Schedule	Regular Vesting Schedule	Award forfeited	Regular Vesting Schedule	Regular Vesting Schedule
Options / SARs and Retention Awards	Expires on the earlier of : (i) sixty (60) days after the date the Participant ceases to be an Eligible Participant or (ii) the expiry date of the Award set forth in the agreement pursuant to which the Award was granted expires on the earlier of (i) sixty (60) days after the date the Participant ceases to be an Eligible Participant or (ii) the expiry date of the Award set forth in the agreement pursuant to which the Award was granted				Award forfeited	Vested options must be exercised (i) within one (1) year of the Participant's death or (ii) prior to the expiration of the original term of such Vested Award, whichever is earlier	Award must be exercised (i) within three (3) years of the disability, (ii) until the Participant becomes eligible for long-term disability benefits, or (iii) prior to the expiration of the original term of the Award, whichever is earlier

The following table sets out the amount that the above-named NEO would have been paid had they been terminated without cause on December 31, 2023, as well as the payment had the termination occurred in conjunction with a change of control.

Compensation Element	Resignation (\$)	Termination without Cause (\$)	Termination without Cause / Resignation following a Change in Control (\$) ⁽¹⁾	Termination with Cause (\$)
Marc Murnaghan	-	\$1,306,578	\$1,306,578	-
Anthony Jelic	-	\$324,205	\$486,308	-
Alexis Osorno	-	N/A	N/A	-

Notes:

(1) This figure includes Base Salary and Bonus only.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

The following table sets forth certain summary information concerning the Omnibus Plan as

at December 31, 2023. The Omnibus Plan is the only equity compensation plan that the Corporation has in effect. Please see "Appendix C – Omnibus Plan" for a discussion of the Omnibus Plan.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽²⁾
Equity compensation plans approved by securityholders	213,828	C\$17.46	1,365,940
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	213,828	C\$17.46	1,365,940

Notes:

(1) Does not include RSUs and DSUs.

(2) As at December 31, 2023, the maximum aggregate number of Common Shares which were reserved and available for grant and issuance under the Omnibus Plan was 1,579,768. The maximum number of Common Shares that will be reserved and available for grant pursuant the Omnibus Plan as at May 1, 2024 will be 1,580,661, representing approximately 7.5% of the total issued and outstanding Common Shares.

Aggregate Dilutive Impact of Equity-based Compensation Arrangements

The Corporation's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the Omnibus Plan for the past three years is set out in the table below. The burn rate is

subject to change from time to time, based on the number of options, DSUs, RSUs and SARs, as applicable, granted and the total number of Common Shares issued and outstanding.

Year ended	December 31, 2023	December 31, 2022	December 31, 2021
Weighted average number of outstanding Common Shares for the fiscal year	21,049,775	20,127,720	19,019,800
Securities granted during the fiscal year	102,907	45,423	131,126
Annual burn rate	0.49%	0.23%	0.69%



PART SIX

Sustainability and Other Matters

Approach to Sustainability and Climate Change

As the Corporation continues to grow, it remains committed to the belief that long-term returns are bolstered by a healthy balance among all stakeholders, including equity and debtholders, employees, customers, the communities in which our business operates, and the environment. Our commitment to sustainability is rooted in our business strategy and our corporate values. The Board has oversight over climate-related issues as it pertains to new opportunities and growth of renewable energy projects as well as other related risks and opportunities. This oversight is part of their overall ESG related activities.

Sustainability management has always been an important pillar of our operations. In 2022, Polaris carried out a materiality analysis, which helped define our Sustainability Strategy that was integrated into our overall corporate strategy. This process allowed us to have a clearer and more lasting vision of where to focus, how to distribute our resources and the best way to achieve our sustainability goals. To that end, in 2023, we continued with this endeavour, focusing on meeting targets that align to our Sustainability Strategy. The Corporation is targeting to contribute to fifteen (15) of the UN's seventeen (17) sustainable development goals.

The Corporation's four (4) pillars of sustainability, by which our strategy will be governed, are "Our Practice", "Our People", "Our Partners", and "Our Planet". The Corporation's sustainability strategy is divided into these four key areas, which address governance, social (internal and external), and environmental aspects that are relevant to our business as well as to internal and external stakeholders. The scope of Polaris' strategy encompasses all of our project sites, technologies, and geographies.

Sustainability Metrics and 2023 Executive Scorecard

One of the primary ways the Corporation focuses on Sustainability is through an explicit link to compensation by a direct inclusion in the evaluation scorecards. Annually, the Corporation has Health, Safety and Sustainability objectives that drive improvement in key areas.

The following sustainability aspects with quantitative and qualitative targets accounted for a portion of the variable “at risk” performance-based compensation paid to our executives in respect of 2023:

Health & Safety	incident and accident rates;	<input checked="" type="checkbox"/>
Government and community relations	development and implementation of strategy;	<input checked="" type="checkbox"/>
Employee relations	staff retention, training and “Great Place to Work[®]” status;	<input checked="" type="checkbox"/>
Corporate sustainability management	general strategy, sustainable practices, communication and awareness.	<input checked="" type="checkbox"/>

Annual Sustainability Report (“Sustainability Report”)

The Corporation’s Sustainability Report sets out its commitment to the sustainability of energy and water by communicating the Corporation’s strategies, initiatives, and goals relating to our sustainability strategy. The Board reviews the annual sustainability and climate-related disclosures which demonstrate progress towards our stated targets. The 2023 report sets out its commitment to the sustainability of energy and water by communicating the Corporation’s strategies, initiatives, and goals relating to the three elements of sustainability: the environment; the social matters important to the Corporation’s strategy and the Corporation’s relationship with its key stakeholder groups including employees, customers and the communities in which it operates and serves; and the governance framework under which the Corporation operates.

Key highlights of the Corporation’s initiatives in the jurisdictions in which it operates include:

- Training employees including Code of Business Conduct and Ethics, Harassment and Violence at the Workplace; Cybersecurity & Ransomware awareness; Environmental Education & Health and Safety education, among others.
- Contributions to local educational organizations such as sponsorship of a robotics project, vocational fair, and leadership courses targeting seniors and donations of school supplies.
- Awareness campaigns with employees and the local communities in connection with International Forests Day, World Environmental Day, World Day for Safety and Health at Work and Mental Health Awareness Week.
- Continued contribution to local community agricultural projects ranging from coffee production, beekeeping, to watermelon production.

- Donations of infrastructure improvements and medical supplies to certain communities, in addition to hosting sporting events, Christmas celebrations and toy giveaways.
- Reforestation campaigns that involve our employees and local communities.
- Continued development of stakeholder engagement and community grievance mechanisms.

Readers are encouraged to read our Annual Sustainability Report available on our website at <https://PolarisREI.com/>.

Other Matters

Indebtedness of Directors and Executive Officers

No director, proposed nominee for director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries

nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

Interest of Informed Persons in Material Transactions

As of the date of this Circular, no informed person (as defined in NI 51-102) or proposed nominee for director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Corporation or any of its subsidiaries.

Additional Information

The Corporation regularly files quarterly and annual financial statements, as well as material change reports, management's discussion and analysis, and other important information with the securities commissions or similar authorities in each of the provinces of Canada. Financial information of the Corporation is contained in the Financial Statements and the MD&A. Copies of such documents are available on SEDAR+ at www.sedarplus.ca. Election cards have been delivered to Shareholders with this Circular whereby Shareholders can elect to receive interim financials and/or Financial Statements and the corresponding management's discussion and analysis, including the MD&A.

Approval of circular by the corporation's board of directors

The contents of this Circular and its sending to the Shareholders have been unanimously approved by the Board.

Dated this 17th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS,

(signed) *"Marc Murnaghan"*

Marc Murnaghan
Chief Executive Officer

Appendix A

Amendment to by-law n°. 1 of Polaris Renewable Energy INC.

1. By-Law No. 1 of Polaris Renewable Energy Inc. (the “**Corporation**”) is hereby amended by adding the following thereto as section 4.3(a), following section 4.3 “Election and Term” and preceding section 4.4. “Removal of Directors”:

Introduction

The Corporation is committed to: (i) facilitating an orderly and efficient annual or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; (iii) allowing the Corporation and shareholders to evaluate all nominees’ qualifications and suitability as a director of the Corporation; and (iv) allowing shareholders to cast an informed vote.

The purpose of this amendment to By-Law No. 1 (the “**By-law Amendment**”) is to provide shareholders, directors and management of the Corporation with guidance on the nomination of directors. This By-law Amendment is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

It is the position of the Corporation that this By-law Amendment is beneficial to shareholders and other stakeholders. This By-law Amendment will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

Nominations of directors

1. **Nomination procedures** - Subject only to the *Business Corporations Act* (Ontario) (the “**Act**”) and the articles of the Corporation (the “**Articles**”), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the “**Board**”) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:

- 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 provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - c. by any person (a **"Nominating Shareholder"**): (A) who, at the close of business on the date of the giving of the notice provided for below in this By-law Amendment and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this By-law Amendment.
2. **Timely notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.
3. **Manner of timely notice** - To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:
- a. in the case of an annual meeting of shareholders, not less than 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 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 made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for 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.
4. **Proper form of timely notice** - To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:
- a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- b. as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).
5. **Eligibility for nomination as a director** - No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law Amendment; provided, however, that nothing in this By-law Amendment shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. **Terms** - For purposes of this By-law Amendment:
- a. "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedarplus.ca; and
- b. "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. **Delivery of notice** - Notwithstanding any other provision of this By-law Amendment, notice given to the Secretary of the Corporation pursuant to this By-law Amendment may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
8. **Board Discretion** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law Amendment.

Appendix B

Charter of the Board of Directors

Section 1. - Purpose

This charter prescribes the role of the board of directors (the “**Board**”) of Polaris Renewable Energy Inc. (the “**Company**”). The Company considers good corporate governance to be essential to the director’s fiduciary obligations to the shareholders of and integral to the ongoing good management and development of the Company. The Board has developed this Charter to set describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities. This Charter is subject to the provisions of the Company’s articles of incorporation, bylaws and to applicable laws. This Charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by the Company’s articles of incorporation, bylaws and applicable laws.

Section 2. - Role

The Board is responsible under law for the stewardship of the Company and its business and affairs. The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through committees of the Board. The Board is not responsible for the day-to-day management and operation of the Company’s business, as this responsibility has been delegated to management. The Board is, however, responsible for supervising management in carrying out this responsibility.

Section 3. - Composition

The Board shall be comprised of that number of directors as shall be determined from time to time by the Board, in accordance with the Company’s notice of articles and articles. To the extent possible, a majority of the members of the Board shall be independent directors. An “independent director” means directors that have no direct or indirect material relationship with the Company, where a material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Schedule “A” to this Charter sets out guidance on what would be considered a material relationship in accordance with *National Policy 58-201 Corporate Governance Guidelines*. As the guidelines set out in Schedule “A” to this Charter may be revised, updated or replaced from time to time, the Board shall update such schedule as required.

The chair of the Board (the “**Chair**”) shall be appointed annually by the Board to oversee the Board in carrying out its responsibilities effectively.

Each member of the Board shall have the skills and abilities appropriate to his or her appointment as a director, as shall be determined by the Board.

Section 4. - Responsibilities

Section 4.1 - General

The Board’s fundamental responsibilities are to foster the long-term success of the Company consistent with the Board’s fiduciary responsibility to the Company, to enhance and preserve long-term shareholder value and to provide stewardship in order that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders, such as employees, customers and local communities, may have in the Company.

The Board has the oversight responsibility to direct the activities of management such that the Company meets its legal and regulatory requirements and that the appropriate documents and records are properly prepared, approved and maintained.

The Board has the statutory responsibility to:

- i. manage or supervise the management of the business and affairs of the Company;
- ii. act honestly and in good faith with a view to the best interests of the Company;
- iii. exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;
- iv. act in accordance with its obligations contained in the *Business Corporations Act* (Ontario) (“**OBCA**”) and the regulations thereto, the securities legislation of each province and territory in which it is a reporting issuer, other relevant legislation and regulations applicable to the Company, and the Company’s articles and by-laws; and
- v. on the recommendation of the Audit Committee, recommend to the shareholders the appointment of an external auditor and fix the remuneration of the external auditor if it has not been fixed by the shareholders.

Without limiting the Board’s statutory obligations, the Board responsibilities shall include the following:

- (a) approving a corporate philosophy and mission;
- (b) selecting, monitoring, advising, evaluating, compensating, and, if necessary, replacing the Chief Executive Officer (the “**CEO**”) and other senior executives and ensuring orderly and proper management succession;

- (c) reviewing and approving management's strategic and business plans, including developing an in-depth knowledge of the business being served, understanding and questioning the plan's assumptions, and reaching an independent judgment as to the probability that the plans can be realized;
- (d) reviewing and approving the Company's financial objectives, plans, and actions, including significant capital allocations and expenditures;
- (e) reviewing and approving material transactions not in the ordinary course of business;
- (f) monitoring corporate performance against the strategic business plans, including overseeing operating results on a regular basis to evaluate whether the business is being properly managed;
- (g) ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles, and the Company's own governing documents;
- (h) assessing its own effectiveness in fulfilling these and other Board responsibilities; and
- (i) performing such other functions as are prescribed by law, or assigned to the Board in the Company's constating documents.

Section 4.2 - Composition of Board

The Board shall from time to time examine its size and composition and undertake, on the recommendation of the HR & ESG Committee and where it considers appropriate, a program to reduce or increase the number of directors to a number which facilitates more effective decision making.

Section 4.3 - Compensation of Directors

The HR & ESG Committee shall from time to time review the adequacy and form of the compensation of the directors so that such compensation realistically reflects the responsibilities and risks involved in being a director of the Company.

Section 4.4 - Outside Advisers

The Board shall implement a system whereby individual directors may engage, at the expense of the Company, an outside advisor (including legal counsel) to provide consultation and advice in appropriate circumstances, subject to approval by the CEO of the Company or the Board.

Section 4.5 - Independence

The Board has the responsibility to implement appropriate structures and procedures to permit the Board to function independently of management. Such structures and procedures shall, at a minimum, include:

- (a) the appointment of a Chair, who to the extent possible, shall be independent of the Company and who shall be responsible for ensuring that the Board discharges its responsibilities independently of management;
- (b) in the absence of an independent Chair, nominate an independent director to act as lead director;
- (c) the requirement that, to the extent possible, a majority of the members of the Board shall be independent; and
- (d) the adoption of alternative means of ensuring independence from management such as, when appropriate, assignment of responsibility to a committee of the Board.

Section 4.6 - Strategy Determination

The Board has the responsibility:

- (a) to determine long-term goals, to establish a strategic planning process for the Company, and to participate with management directly or through its committees in approving the mission of, and the annual strategic plan for the Company; and
- (b) to monitor progress in respect of the achievement of the goals established in the strategic plan and to initiate corrective action when required.

Section 4.7 - Committees of the Board

The Board shall appoint committees of directors and such committees shall have the responsibilities of meeting regularly and carrying out the duties and powers delegated to them by the Board. The committees of the Company shall at a minimum consist of the following:

- (a) Audit Committee; and
- (b) HR & ESG Resources and Environmental, Social and Governance Committee.

Section 4.8 - Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company. The Board also has a responsibility to understand and review, where applicable, the derivative and hedge policies of the Company.

Section 4.9 - Appointing, Training and Monitoring Directors and Management

The Board has the responsibility:

- (a) to appoint the CEO, to monitor and assess the CEO's performance, to determine the CEO's compensation in conjunction with recommendations from the HR & ESG Committee, and to provide advice and counsel in the execution of the CEO's duties;
- (b) to consider the advice of the CEO and the recommendations of the HR & ESG Committee in approving the appointment and remuneration of all Company officers;
- (c) to consider the advice and recommendation of the HR & ESG Committee to satisfy itself that adequate provision has been made for the training, development, continuing education, and, when appropriate, the orderly succession of management;
- (d) to consider the advice and recommendation of the HR & ESG Committee to satisfy itself that adequate provision has been made for the orientation and continuing education of directors; and
- (e) to satisfy itself as to the integrity of the CEO, the integrity of the other executive officers of the Company, and to satisfy itself that the CEO and other executive officers seek to maintain a culture of integrity throughout the Company.

Section 4.10 - Reporting and Communication

The Board will seek to ensure that corporate disclosure of the Company complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed. In addition, the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues.

Section 4.11 - Monitoring and Acting

The Board has the responsibility:

- (a) to verify that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) to approve and monitor compliance with significant policies and procedures by which the Company is operated, including its Code of Business Conduct and Ethics;
- (c) to review and approve the annual budget, annual financing plans, any payment of dividends and any new financings;
- (d) to review and approve quarterly financial reports and the annual report;
- (e) to verify that the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- (f) to verify that the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (g) to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (h) to take action it deems appropriate when performance falls short of its goals and objectives or when other special circumstances warrant;
- (i) to review and direct management to establish the necessary processes and procedures to meet the Board's expectations regarding timely scheduling of Board and committee meetings and receipt of materials, reports, presentations and other information from management in a timely and efficient manner, in order to permit the Board to properly carry out its duties and responsibilities; and
- (j) to verify that the Company has implemented adequate internal control and information systems which assist in the effective discharge of its responsibilities.

Section 5. - Review of Charter

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may review and recommend changes to this Charter from time to time and the HR & ESG Committee may periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Section 6. Meetings of the Board

In accordance with the constating documents of the Company, meetings of the Board may be held at such times and places as the Chair may determine and as many times per year as necessary to effectively carry out the Board's responsibilities.

The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.

The Board may invite, at its discretion, any other individuals to attend its meetings. Senior executives of the Company shall attend a meeting if invited by the Board.

A quorum for the transaction of business at a meeting of the Board shall consist of a majority of the members of the Board and such quorum of directors may exercise all the powers of the directors.

In the absence of the Chair, the directors present at any such meeting shall choose one of the directors present at the meeting to be chair of the meeting and, in the absence of the Corporate Secretary, the Board shall choose one of the directors present at the meeting to be the corporate secretary of the meeting.

Minutes shall be kept of all meetings of the Board and shall be signed by the chair and corporate secretary of the meeting. The minutes shall be maintained with the Company's records, shall include copies of all resolutions passed at each meeting, and shall be available for review by members of any committee, the Board and management.

The independent directors should meet separately for part of each Board Meeting and otherwise as required.

Appendix C

Summary of Omnibus Plan

Capitalized terms used in this summary but not otherwise defined herein shall have the meanings given to it in the Omnibus Plan or in the Circular. The principal terms of the Omnibus Plan are as follows:

Term	Description
<u>Administration</u>	The Board is responsible for administering and interpreting the Omnibus Plan and may delegate that responsibility to a committee consisting of at least three members.
<u>Eligible Participants</u>	The persons eligible to receive stock options (" Options "), restricted shares (" Restricted Shares "), restricted share units (" RSUs "), deferred share units (" DSUs "), share appreciation rights (" SARs ") and retention awards (" Retention Awards "), and together with the Options, the Restricted Shares, the RSUs, the DSUs and the SARs, the " Awards ") are directors, officers, senior executives and other employees of the Corporation or a subsidiary, consultants and service providers providing ongoing services to the Corporation and its affiliates, who the Board in its sole discretion determines to hold key positions in the Corporation or a subsidiary.
<u>Reserve Maximum</u>	<p>Subject to adjustment, the total number of shares reserved and available for grant and issuance pursuant to Awards shall not exceed a number of Common Shares equal to seven and a half percent (7.5%) of the total issued and outstanding Common Shares at the time of granting of Awards (on a non-diluted basis) or such other number as may be approved by the TSX and the Shareholders of the Corporation from time to time.</p> <p>The Omnibus Plan is a "rolling plan" or "evergreen plan". This means any increase in the issued and outstanding Common Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Common Shares that may be issued on Awards outstanding at any time and any increase in the number of Awards granted will, upon exercise, make new grants available under the Omnibus Plan.</p>
<u>Current Reserve</u>	As of May 1, 2024, there were 21,075,474 Common Shares issued and outstanding. Therefore, 1,580,661 Common Shares are available to be reserved for issuance under the Omnibus Plan.

Term	Description
Currently Issuable	As of May 1, 2024, there were 302,994 Awards outstanding under the Omnibus Plan. Therefore, a total of (i) 1,580,661 Common Shares are potentially issuable (representing approximately 7.5% of the issued and outstanding Common Shares), and (ii) 1,277,667 Awards are available to be granted under the Omnibus Plan.
Participation Limits	Subject to the limits on awards to non-executive directors, the aggregate number of Common Shares (i) issued to insiders under the Omnibus Plan or any other proposed or established share compensation arrangement within any one-year period and (ii) issuable to insiders at any time under the Omnibus Plan or any other proposed or established share compensation arrangement, shall in each case not exceed seven and a half percent (7.5%) of the issued and outstanding Common Shares (on a non-diluted basis).
Limits for Non-Executive Directors	The value of Awards made to non-executive directors in any calendar year may not exceed \$150,000, including options whose value (using the Black-Scholes valuation methodology) does not exceed \$100,000.
Pricing	<p><u>Options</u></p> <p>The option price for Common Shares that are the subject of any Option is determined by the Board at the time the Option is granted, but may not be less than Market Value at the time of grant. The terms of the Omnibus Plan allow for the exercise of an Option on a cashless basis. The number of Common Shares received on the cashless exercise of an Option is determined by taking (i) the difference between (A) the Market Value and (B) the exercise price of such Option, (ii) multiplying that difference by the number of Common Shares to which such Option relates, and then (iii) dividing that product by the Market Value.</p>
	<p><u>DSUs</u></p> <p>Each director may elect to be paid a percentage of his or her annual retainer in the form of DSUs. The number of DSUs an Eligible Participant is entitled to receive is calculated by taking (i) the percentage elected by the Eligible Participant, (ii) multiplying that percentage by the Eligible Participant's annual retainer, and then (iii) dividing that product by the Market Value.</p>
	<p><u>RSUs</u> The purchase price of an RSU is determined by the Board and may be zero.</p>

Term	Description
Pricing	<p data-bbox="483 268 548 300"><u>SARs</u></p> <p data-bbox="483 327 1422 468">The exercise price of a SAR is fixed by the Board, but may not be less than the Market Value at the time of grant. Upon exercise, the holder is entitled to receive the number of Common Shares equal to the excess of the Market Value on the effective date of such exercise over the exercise price of the SAR.</p> <p data-bbox="483 495 703 527"><u>Retention Awards</u></p> <p data-bbox="483 554 1422 659">A retention award entitles an Eligible Participant to receive the number of Common Shares that is equal to the retention payment divided by the Market Value on the vesting date of the retention award.</p> <p data-bbox="483 686 1422 896">“Market Value” means at any date when the Market Value of Common Shares of the Corporation is to be determined, the closing price of the Common Shares on the trading day prior to the date of grant on the principal stock exchange on which the Common Shares are listed, or if the Common Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith.</p>
Market Appreciation/Dividend Payment	<p data-bbox="483 1031 1422 1276">A holder of DSUs is entitled to receive additional DSUs (or fractions thereof) when dividends are declared and paid on Common Shares. The number of additional DSUs are based on (i) the actual amount of dividends that would have been paid if the Participant had held Common Shares under the Omnibus Plan on the applicable record date divided by (ii) the Market Value per Common Share on the date on which the dividends on Common Shares are payable.</p>
Vesting	<p data-bbox="483 1430 695 1461"><u>Restricted Shares</u></p> <p data-bbox="483 1488 1422 1593">Restrictions and conditions on the disposition of Restricted Shares, including whether there are any vesting requirements, are determined by the Board at the time of grant.</p> <p data-bbox="483 1621 586 1652"><u>Options</u></p> <p data-bbox="483 1680 1422 1785">Vesting conditions may be determined by the Board at the time an Option is granted. Unless otherwise determined by the Board at the time of grant, option awards vest 25% each year for four years.</p>

Term	Description
<u>Vesting</u>	<p><u>DSUs</u></p> <p>The Board may, at the time of grant, make DSUs subject to restrictions and conditions (i.e. continuing employment or achievement of pre-established performance goals). DSUs are redeemable at any time for a period beginning immediately following the date a Participant resigns or is terminated and ending 90 days following such resignation or termination.</p>
	<p><u>RSUs</u></p> <p>The relevant conditions and vesting provisions of a RSU are determined by the Board (including the performance period and criteria, if any). The Board also sets a date upon which it is determined whether the vesting conditions with respect to RSUs have been met (the “RSU Vesting Determination Date”), which date shall be no later than December 31 of the calendar year that is 3 years after the calendar year in which the RSU is granted. Unless otherwise determined at the time of grant, options shall cliff vest after 3 years from the date of grant.</p>
	<p><u>SARs</u></p> <p>The relevant conditions and vesting provisions of a SAR are determined by the Board (including the performance period and criteria, if any).</p>
	<p><u>Retention Awards</u></p> <p>The relevant conditions and vesting provisions of a Retention Award are determined by the Board (including the performance period and criteria, if any).</p>
	<p><u>Restricted Shares</u></p> <p>As determined by the Board on the date of issuance.</p>
<u>Term</u>	<p><u>Options</u></p> <p>The Board determines the period in which an Option is exercisable. An Option may not expire later than five (5) years from the date it is granted.</p>
	<p><u>DSUs</u></p> <p>A Participant may redeem his or her DSUs for a period beginning immediately following the date a Participant resigns or is terminated and ending 90 days following such resignation or termination.</p>

Term	Description
<p data-bbox="228 520 289 548"><u>Term</u></p>	<p data-bbox="488 264 548 291"><u>RSUs</u></p> <p data-bbox="488 323 1422 457">All of the vested RSUs covered by a particular grant may be settled at any time beginning on the first business day following the RSU Vesting Determination Date but no later than the date that is five (5) years from the RSU Vesting Determination Date.</p> <p data-bbox="488 489 548 516"><u>SARs</u></p> <p data-bbox="488 548 1422 646">The Board determines the period during which a SAR is exercisable, provided such period may not expire more than five (5) years from the date the SAR was granted.</p> <p data-bbox="488 678 703 705"><u>Retention Awards</u></p> <p data-bbox="488 737 1422 804">The relevant conditions and vesting provisions of a Retention Award are determined by the Board (including the performance period and criteria, if any).</p>
<p data-bbox="228 1304 378 1367">Cessation of Entitlement</p>	<p data-bbox="488 884 930 911"><u>Options, SARs and Retention Awards</u></p> <p data-bbox="488 942 1422 1041"><i>Termination for Cause.</i> Any Option, SAR or Retention Award, or any unexercised or unvested portion thereof, terminates when a Participant ceases to be an Eligible Participant for “cause”.</p> <p data-bbox="488 1073 1422 1276"><i>Death.</i> Any vested Option, SAR or Retention Award or the unexercised portion thereof (“Vested Award”), may be exercised by the estate of a Participant if such Participant dies while he or she is an Eligible Participant. However, a Vested Award must be exercised (i) within one (1) year of the Participant’s death or (ii) prior to the expiration of the original term of such Vested Award, whichever is earlier.</p> <p data-bbox="488 1308 1422 1512"><i>Disability.</i> Any Option, SAR or Retention Award, or any unexercised portion thereof, may be exercised by the Participant or his/her representative as the rights to exercise accrue. However, the Award must be exercised (i) within three (3) years of the disability, (ii) until the Participant becomes eligible for long-term disability benefits, or (iii) prior to the expiration of the original term of the Award, whichever is earlier.</p> <p data-bbox="488 1543 1422 1610"><i>Other.</i> If a Participant ceases to be an Eligible Participant for any reason other than for</p> <p data-bbox="488 1642 1422 1782">“cause”, death, or disability, the right to exercise an Option, SAR or Retention Award is limited to and expires on the earlier of (i) sixty (60) days after the date the Participant ceases to be an Eligible Participant or (ii) the expiry date of the Award set forth in the agreement pursuant to which the Award was granted.</p>

Term	Description
Cessation of Entitlement	<p><u>RSUs</u></p>
	<p><i>Termination for Cause.</i> Any unvested RSUs credited to a Participant's account are forfeited and cancelled immediately upon such Participant ceasing to be an Eligible Participant for "cause" or by resignation.</p>
	<p><i>Cessation of Employment.</i> When a Participant retires, becomes eligible to receive long-term disability benefits, or has his or her employment terminated for reasons other than "cause" or by reason of injury or disability, such Participant's participation in the Omnibus Plan shall be terminated immediately. Unvested RSUs shall remain in effect until the applicable RSU Vesting Determination Date.</p>
	<p><i>Retirement.</i> If a Participant retires and becomes involved in another business or activity in the geothermal power industry prior to the applicable RSU Determination Date, then (i) if the Board determines the vesting conditions have not been met on the RSU Vesting Determination Date, the unvested RSUs of such Participant are forfeited and cancelled, or (ii) if the Board determines the vesting conditions have been met on the RSU Vesting Determination Date, such Participant is entitled to receive the number of Common Shares he or she is entitled to in respect of such RSUs adjusted for the length of service provided by the Participant to the Corporation.</p>
	<p><i>Death.</i> If a Participant dies, his or her participation in the Omnibus Plan terminates immediately. All unvested RSUs remain in effect until the RSU Vesting Determination Date. If the Board determines the vesting conditions have not been met on the RSU Vesting Determination Date, the unvested RSUs of such deceased Participant are forfeited and cancelled. If the Board determines the vesting conditions have been met on the RSU Vesting Determination Date, such deceased Participant is entitled to receive the number of Common Shares he or she is entitled to in respect of such RSUs adjusted for the length of service provided by the Participant to the Corporation.</p>
	<p><i>Leave of Absence.</i> If a Participant voluntarily takes a leave of absence, his or her participation in the Omnibus Plan terminates immediately. All unvested RSUs remain in effect until the RSU Vesting Determination Date. If the Board determines the vesting conditions have not been met on the RSU Vesting Determination Date, the unvested RSUs of such Participant shall be forfeited and cancelled. If the Board determines the vesting conditions have been met on the RSU Vesting Determination Date, such Participant is entitled to receive the number of Common Shares he or she is entitled to in respect of such RSUs adjusted for the length of service provided by the Participant to the Corporation.</p>
	<p><u>Restricted Shares</u></p> <p>Upon a Participant ceasing to be an Eligible Participant for any reason, any Restricted Shares that have not vested at such time are automatically reacquired by the Corporation.</p>

Term	Description
<u>Assignability</u>	<p>Awards granted under the Omnibus Plan are transferrable or assignable only to a “permitted assign”. A permitted assign means the spouse of a Participant or a trustee, holding entity, or RRSP/RRIF of the Participant or his or her spouse.</p>
	<p>The Board may amend the Omnibus Plan or any Award at any time without consent of the Participants if the amendment:</p> <ul style="list-style-type: none"> • does not adversely alter or impair any Award previously granted; • is subject to any applicable regulatory approvals; • is subject to Shareholder approval, where required, provided that Shareholder approval is not required for following amendments and the Board may make any changes which may include but are not limited to: <ul style="list-style-type: none"> ■ amendments of a “housekeeping” nature; ■ a change to the vesting provisions of any Award; ■ the introduction or amendment of a cashless exercise feature; and ■ the addition of or amendment to any form of financial assistance.
<u>Amendments</u>	<p>Shareholder approval is required for the following amendments:</p> <ul style="list-style-type: none"> • any change to the maximum number of Common Shares issuable under the Omnibus Plan, except any increase due to an adjustment or due to the evergreen nature of the plan; • any amendment that reduces the exercise price of an outstanding Award; • any amendment that extends the expiry date of an outstanding Award (other than an extension due to a black-out period); • any amendment to remove or to exceed the insider participation limit; • any amendment that would permit any Award to be transferable or assignable other than as currently permitted; and • any amendment to the amendment provisions of the Omnibus Plan. <p>Common Shares held directly or indirectly by insiders that may benefit from certain amendments must be excluded from voting when obtaining Shareholder approval.</p>

Term	Description
<u>Financial Assistance</u>	Unless otherwise determined by the Board, the Omnibus Plan does not provide for the Corporation to make any form of financial assistance in regards to the exercise of an Option.
<u>Ratification</u>	The Board has not made any grant of Awards that is subject to ratification.
<u>Black-out Period</u>	<p>If the expiration date of an Option or SAR falls within a black-out period or within the nine (9) business days following the end of the black-out period, then the expiration of the Option is extended to the tenth business day following the end of the black-out period.</p> <p>If the settlement date of an RSU falls within a black-out period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU settlement notice, then the RSU Settlement Date is extended to the tenth business day following the end of the black-out period.</p>
<u>Change of Control</u>	<p>In the event of a “Change in Control”, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the Securities Act (Ontario) for all of the Common Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances.</p> <p>“Change in Control” means an event whereby (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Common Shares or the combined voting power of the Corporation’s then outstanding voting securities entitled to vote generally; (ii) any person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets.</p>
<u>Adjustments</u>	The Omnibus Plan may be adjusted if certain changes are made to the Corporation’s capitalization (e.g. subdivision, consolidation, reclassification, or reorganization of or a distribution of assets on (other than an ordinary course dividend) the Common Shares) in order to preclude a dilution or enlargement of the benefits due to Participants under the Omnibus Plan.

Appendix D



OMNIBUS LONG-TERM INCENTIVE PLAN

June 18, 2012, as amended and restated on June 20, 2017 and June 24, 2021

Polaris Renewable Energy Inc. (the “**Corporation**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and service providers providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

Article 1 – Definitions

Section 1.1 - Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

- “**Account**” means an account maintained for each Participant on the books of the Corporation which will be credited with Awards, including any Dividend Equivalents, in accordance with the terms of this Plan;
- “**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;
- “**Associate**”, where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;
- “**Awards**” means an Option, a SAR, a Restricted Share, a RSU, a DSU or a Retention Award granted to a Participant pursuant to the terms of the Plan;
- “**Black-Out Period**” means a period of time when pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

- **“Board”** has the meaning ascribed thereto in Section 2.2(1) hereof;
- **“Broker”** means a broker independent from the Corporation or any of its subsidiaries who has been designated by the Corporation as the broker that will purchase Shares pursuant to the Plan and who is a member of the principal Canadian stock exchange or other public exchange on which the Shares are listed, or, if the Shares are not then listed, as selected by the Board acting in good faith;
- **“Business Day”** means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, for the transaction of banking business;
- **“Cash Equivalent”** means the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable taxes in accordance with Section 11.2, on the RSU Settlement Date;
- **“Change in Control”** means an event whereby (i) any Person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Corporation’s then outstanding voting securities entitled to vote generally; (ii) any Person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets;
- **“Code of Conduct”** means any code of conduct adopted by the Corporation, as modified from time to time;
- **“Committee”** has the meaning ascribed thereto in Section 2.2(1) hereof;
- **“Corporation”** means Polaris Renewable Energy Inc. (formerly Polaris Infrastructure Inc.), a corporation existing under the *Business Corporations Act* (Ontario), as amended from time to time;
- **“Dividend Equivalent”** means a bookkeeping entry equivalent in value to a dividend paid on a Share credited to a Participant’s Account in accordance with Section 5.5 hereof;
- **“DSU”** means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant’s Account in accordance with Article 5 hereof;
- **“DSU Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof;
- **“Eligibility Date”** has the meaning ascribed thereto in Section 9.2(3) hereof; **“Eligible Participants”** has the meaning ascribed thereto in Section 2.3(1) hereof;
- **“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Corporation or an affiliate and such Participant;
- **“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;
- **“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including a Restricted Share Agreement, an Option Agreement, a SAR Agreement, a DSU Agreement, a RSU Agreement, a Retention Award Agreement or an Employment Agreement;

- **“Insider”** has the meaning given to the term in Part I of the TSX Company Manual, as same may be amended, supplemented or replaced from time to time;
- **“Market Value”** means at any date when the Market Value of Shares of the Corporation is to be determined, the closing price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;
- **“Notice of Redemption”** means the written notice by a Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his or her DSUs for cash or Shares;
- **“Option”** means an option granted to the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof;
- **“Option Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof;
- **“Option Price”** has the meaning ascribed thereto in Section 4.3 hereof; **“Option Term”** has the meaning ascribed thereto in Section 4.4 hereof;
- **“Participants”** means Eligible Participants that are granted Awards under the Plan;
- **“Participant’s Account”** means an account maintained for each Participant’s participation in DSUs and/or RSUs under the Plan;
- **“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;
- **“Performance Period”** means the period determined by the Board pursuant to Section 6.3 hereof;
- **“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;
- **“Plan”** means this Omnibus Long-Term Incentive Plan, as amended and restated from time to time;
- **“Restricted Share”** means a Share granted to a Participant with such restrictions and conditions upon the Participant’s disposition of such Shares as may be determined by the Board at the time of the grant and granted in accordance with Article 3 hereof;
- **“Restricted Share Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of Restricted Shares and the terms and conditions thereof;
- **“Restriction Period”** means the period determined by the Board pursuant to Section 6.3 hereof;

- **“Retention Award Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of Retention Awards and the terms and conditions thereof;
- **“Retention Payment”** means the retention payment specified in the Retention Agreement or Employment Agreement;
- **“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 5 hereof and subject to the terms and conditions of this Plan;
- **“RSU Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;
- **“RSU Settlement Date”** has the meaning determined in Section 6.6(1)(a);
- **“RSU Settlement Notice”** means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs.
- **“RSU Vesting Determination Date”** has the meaning described thereto in Section 6.5 hereof;
- **“SAR”** means a right to receive a payment, in Shares, equal to the appreciation in the Corporation’s Shares over a specified period, as set forth in the respective SAR Agreement;
- **“SAR Price”** has the meaning ascribed thereto in Section 7.1 hereof; **“SAR Term”** has the meaning ascribed thereto in Section 7.4 hereof;
- **“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, insiders, service providers or consultants of the Corporation or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, insider, service provider or consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;
- **“Shares”** means the common shares in the share capital of the Corporation;
- **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;
- **“Successor Corporation”** has the meaning ascribed thereto in Section 10.1(3) hereof;
- **“Tax Act”** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time.
- **“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be an employee of the Corporation or a Subsidiary and
 (ii) in the event of the termination of the Participant’s employment by the Corporation or a Subsidiary, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be;
- **“Trading Day”** means any day on which the TSX is opened for trading; **“TSX”** means the Toronto Stock Exchange; and
- **“Vested Awards”** has the meaning described thereto in Section 9.2(2) hereof.

Article 2— *Purpose and administration of the plan; granting of awards*

Section 2.1 - Purpose of the Plan.

- (1) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
 - (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
 - (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
 - (c) to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
 - (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment.

Section 2.2 - Implementation and Administration of the Plan.

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the "Committee") and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the Committee.
- (2) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the TSX. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.
 - (a) No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
 - (b) Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

Section 2.3 - Eligible Participants.

- (1) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the directors, officers, senior executives and other employees of the Corporation or a Subsidiary, consultants and service providers providing ongoing services to the Corporation and its Affiliates, who the Board may determine from time to time, in its sole discretion, to hold key positions in the Corporation or a Subsidiary. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant’s present and potential future contribution to the Corporation’s success. For greater certainty, a Person whose employment with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such employee, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment initiated by the Corporation.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s relationship or employment with the Corporation.
- (3) 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 by the Corporation to the Participant.

Section 2.4 - Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to provisions of Article 10 hereof, the total number of shares reserved and available for grant and issuance pursuant to Awards shall not exceed a number of Shares equal to seven and a half percent (7.5%) of the total issued and outstanding Shares of the Corporation at the time of granting of Awards (on a non-diluted basis) or such other number as may be approved by the TSX and the shareholders of the Corporation from time to time. Any increase in the issued and outstanding Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Shares that may be issued on Awards outstanding at any time and any increase in the number of Awards granted will, upon exercise, make new grants available under the Plan.
- (2) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or delivered prior to the termination of such Award due to the expiration, termination or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.
- (3) Subject to Section 2.4(4), the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed seven and a half percent (7.5%) of the issued and outstanding Shares (on a non-diluted basis).
- (4) The aggregate value of Awards granted to a non-executive director of the Corporation shall not exceed (i) \$150,000 in any one-year period; and (ii) in the case of Options, \$100,000 using the Black-Scholes option valuation methodology.

Section 2.5 - Granting of Awards.

- (1) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (2) Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the *United States Securities Act of 1933* and may not be offered or sold in the United States unless registration or an exemption from registration is available.

Article 3— *Restricted shares*

Section 3.1 - Nature of Restricted Shares.

A Restricted Share is a Share with such restrictions and conditions placed upon the Share's disposition by the Participant as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 3.2 - Restricted Share Awards.

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Restricted Shares under the Plan, (ii) fix the number of Restricted Shares, if any, to be granted to each Eligible Participant and the date or dates on which such Restricted Shares shall be granted, and (iii) determine the restrictions and conditions applicable to such Restricted Shares, the whole subject to the terms and conditions prescribed in this Plan.

Section 3.3 - Payment to Participant.

- (1) The Corporation shall, as soon as possible after the grant of the Restricted Shares cause the transfer agent and registrar of the Shares to either:

- (a) deliver to the Participant a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant shall then be entitled to receive; or
 - (b) in the case of Restricted Shares issued in uncertificated form, cause the issuance of the aggregate number of Restricted Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares.
- (2) Each certificate representing Restricted Shares shall bear the following legend, as amended to reflect the restrictions and/or conditions placed upon the Shares' disposition as the Board may determine at the time of grant:

"THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS IN ACCORDANCE WITH THE CORPORATION'S OMNIBUS LONG-TERM INCENTIVE PLAN DATED JUNE 28, 2012, AS AMENDED AND RESTATED ON JUNE 20, 2017, AND A RESTRICTED SHARE AGREEMENT DATED . THE SECURITIES REPRESENTED HEREBY MAY NOT BE TRANSFERRED UNTIL .

- (3) Unless the Board shall otherwise determine,
- (a) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Corporation or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 3.3(4) below; and
 - (b) certificated Restricted Shares shall remain in the possession of the Corporation until such Restricted Shares have vested as provided in Section 3.3(4) below,
- and the Participant shall be required, as a condition of the grant of such Restricted Shares, to deliver to the Corporation such instruments of transfer as the Board may prescribe.
- (c) The Board at the time of grant shall specify the date or dates and/or the restrictions and conditions on which the non transferability of the Restricted Shares and the Corporation's right of repurchase or forfeiture shall lapse. Subsequent to such date, or dates and/or the attainment of the restrictions and conditions, the Restricted Shares on for which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested".

Section 3.4 - Restricted Share Agreements.

The terms of the Restricted Shares shall be evidenced by Restricted Share Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 9 hereof be included therein. The Restricted Share Agreement shall contain such terms that may be considered necessary in order that the Restricted Shares will comply with any provisions respecting restricted securities in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 4—*Options*

Section 4.1 - Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof.

Section 4.2 - Option Awards.

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan,

- (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the TSX.

Section 4.3 - Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 4.4 - Option Term.

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than five (5) years from the date the Option is granted (“**Option Term**”). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- (2) Should the expiration date for an Option fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 10.2 hereof, the ten (10) Business Day-period referred to in this Section 4.4 may not be extended by the Board.

Section 4.5 - Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

Section 4.6 - Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 4.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, cheque or bank draft of the purchase price for the number of Shares specified therein. Unless otherwise determined by the Board the Corporation shall not offer financial assistance in regards to the exercise of an Option.
- (2) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.
- (3) With the consent of the Board, a Participant may, rather than exercise the Option which the Participant is entitled to exercise under this Plan as provided above, elect to surrender such Option, in whole or in part and, in lieu of receiving the Shares to which the exercised Option relate, receive, as consideration for the surrender of such Option, the number of Shares,

disregarding fractions, which, when multiplied by the Market Value of the Shares to which the exercised Option relate, have a value equal to the product of the number of Shares to which the exercised Option relate multiplied by the difference between the Market Value of such Shares and the Option Price of such Option, less any amount withheld on account of taxes in accordance with Section 11.2. The Corporation makes no representation to each and every Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) that it will waive or renounce its right to claim a deduction in respect of such payment.

Section 4.7 - Option Agreements.

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 9 hereof be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 5– *Deferred share units*

Section 5.1 - Nature of DSUs.

A DSU is an Award of phantom share units to an Eligible Participant, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 5.2 - Election to Participate.

Each Eligible Participant may elect, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs, with the balance being paid in cash. In the case of an existing Eligible Participant, the election must be completed, signed and delivered to the Corporation by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new Eligible Participant, the election must be completed, signed and delivered to the Corporation as soon as possible, and, in any event, no later than thirty (30) days, after the Eligible Participant's appointment, with such election to be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of the fiscal year of appointment. For the first year of the Plan, Eligible Participants must make such election as soon as possible, and, in any event, no later than thirty (30) days, after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Corporation next following the

date of the Corporation's receipt of the election until the final day of such fiscal year. If no election is made in respect of a particular fiscal year, the new or existing Eligible Participant will receive the annual retainer in cash.

Section 5.3 - DSU Awards.

The number of DSUs that an Eligible Participant is entitled to receive in a fiscal year is based upon the percentage that the Eligible Participant has elected to receive in DSUs multiplied by the Participant's annual retainer divided by the Market Value. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Section 5.4 - Redemption of DSUs.

- (1) Each Participant shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation. In the event of death of a Participant, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Participant. The Notice of Redemption must specify an election to receive:
 - (a) a cash payment equal to the number of DSUs credited to the Participant's Account as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes; or
 - (b) Shares purchased on the Participant's behalf on the open market by a Broker; or
 - (c) a percentage of the DSUs paid out in cash and the remaining percentage of the DSUs paid out as Shares on the Participant's behalf on the open market by a Broker.

In the event a Notice of Redemption is not provided by a Participant, such Participant will be deemed to have elected to receive a cash payment as provided for in Section 5.4(1)(a).

- (2) Where Shares are purchased on the open market on the Participant's behalf, the Corporation will remit all or a portion of the final payment to the Broker, and the Broker will be required to (within ten (10) business days) use the amount to purchase Shares in the open market on the principal Canadian stock exchange or any other public exchange on which the Shares are traded. The number of Shares will be computed by taking the number of DSUs that the Participant elected to receive in Shares, net of the number of DSUs that would equal to any applicable withholding taxes. Any Shares acquired by the Broker from all or a portion of the final payment and any cash remaining therefrom shall be delivered directly to the Participant forthwith as soon as practicable upon completion of such purchases. The Corporation will pay all brokerage fees arising in connection with the purchase of Shares by the Broker in accordance with the Plan.

- (3) The Corporation will make all of the payments described in this Article 5 (referred to hereinafter as the “**Final Payment**”) to the Participant or the Broker, within 120 days of the Termination Date. Upon making such payment to the Participant or the Broker, the DSUs upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such DSUs.

Section 5.5 - Award of Dividend Equivalents.

Dividend Equivalents will be awarded in respect of DSUs in a Participant’s Account on the same basis as dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant’s Account as additional DSUs (or fractions thereof), with the number of additional DSUs based on (a) the actual amount of dividends that would have been paid if the Participant had held Shares under the Plan on the applicable record date divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no DSUs representing Dividend Equivalents will be credited to a Participant’s Account in relation to DSUs that have been previously cancelled or paid out of the Plan and all additional DSUs credited as a result of a Dividend Equivalent will be credited at the same time as any applicable Final Payment.

Section 5.6 - Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of DSUs under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Income Tax Act (Canada) or any successor provision thereto.

Section 5.7 - DSU Agreements.

DSUs shall be evidenced by a DSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 9 hereof be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 6 - *Restricted share units*

Section 6.1 - Nature of RSUs.

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

Section 6.2 - RSU Awards.

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan,
 - (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (3) Subject to the vesting and other conditions and provisions herein set forth and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant, at his or her election, to receive one Share issued from treasury or the Cash Equivalent at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

Section 6.3 - Restriction Period.

The applicable restriction period in respect of a particular RSU award shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2012 shall end no later than December 31, 2015. Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Article 5, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 6.5) and, in any event, no later than the last day of the Restriction Period.

Section 6.4 - Performance Criteria and Performance Period.

- (1) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2012, the Performance Period will start on January 1, 2012 and will end on December 31, 2014.
- (2) For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs.

Section 6.5 - RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period.

Section 6.6 - Settlement of RSUs.

- (1) Except as otherwise provided in the RSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of an RSU are satisfied:
 - (a) all of the vested RSUs covered by a particular grant may, subject to Section 6.6(4), be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the date that is five (5) years from their RSU Vesting Determination Date (the "**RSU Settlement Date**");

- (b) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant; and
 - (c) in the RSU Settlement Notice, the Participant will elect, in such Participant's sole discretion, including with respect to any fractional RSUs, to settle vested RSUs for their Cash Equivalent, Shares issued from treasury, or a combination thereof.
- (2) Subject to Section 6.6(4), settlement of RSUs shall take place promptly following the RSU Settlement Date and take the form set out in the RSU Settlement Notice through:
 - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
 - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
 - (3) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6.7(2).
 - (4) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

Section 6.7 - Determination of Amounts.

- (1) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 6.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 6.6, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

Section 6.8 - RSU Agreements.

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 9 hereof be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 7 – *Share appreciation rights*

Section 7.1 - Nature of SARs.

A SAR is an Award entitling the recipient to receive Shares having a value equal to the excess of the Market Value of the Shares on the date of exercise over the exercise price of the SAR, which price shall not be less than 100% of the Market Value of the Share on the date of grant multiplied by the number of Shares with respect to which the SAR shall have been exercised.

Section 7.2 - SAR Awards.

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion,

(i) designate the Eligible Participants who may receive SAR Awards under the Plan, (ii) fix the number of SAR Awards to be granted to each Eligible Participant and the date or dates on which such SAR Awards shall be granted, and (iii) determine the price per Share to be payable upon the vesting of each such SAR (the “SAR Price”) and the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the SAR Term, the whole subject to the terms and conditions prescribed in this Plan and in any SAR Agreement.

Section 7.3 - SAR Price.

The SAR Price for the Shares that are the subject of any SAR shall be fixed by the Board when such SAR is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 7.4 - SAR Term.

- (1) The Board shall determine, at the time of granting the particular SAR, the period during which the SAR is exercisable, which shall not be more than five (5) years from the date the SAR is granted ("**SAR Term**") and the vesting schedule of such SAR, which will be detailed in the respective SAR Agreement. Unless otherwise determined by the Board, all unexercised SARs shall be cancelled at the expiry of such SAR.
- (2) Should the expiration date for a SAR fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such SAR for all purposes under the Plan. Notwithstanding Section 10.2 hereof, the ten (10) Business Day-period referred to in this Section 7.4 may not be extended by the Board.

Section 7.5 - Exercise of SARs.

Prior to its expiration or earlier termination in accordance with the Plan, each SAR shall be exercisable as to all or such part or parts of the granted Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular SAR, may determine in its sole discretion. For greater certainty, no SAR shall be exercised by a Participant during a Black-Out Period.

Section 7.6 - Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan, a SAR granted under the Plan shall be exercisable (from time to time as provided in Section 7.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or to the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, no less than three (3) business days in advance of the effective date of the proposed exercise, which notice shall specify the number of Shares with respect to which the SAR is being exercised and the effective date of the proposed exercise.
- (2) The exercise of a SAR with respect to any number of Shares shall entitle the Participant to Shares equal to the excess of the Market Value of a Share on the effective date of such exercise over the per share SAR Price.
- (3) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:

- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
- (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

Section 7.7 - SAR Agreements.

SARs shall be evidenced by a SAR Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 7 and Article 9 hereof be included therein. The SAR Agreement shall contain such terms that may be considered necessary in order that the SAR will comply with any provisions respecting stock appreciation rights in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 8— *Retention awards*

Section 8.1 - Nature of Retention Awards.

Retention Awards are any payment to an Eligible Participant that is not payable periodically for services provided by the Eligible Participant, as determined by the Board from time to time.

Section 8.2 - Retention Awards.

- (1) Subject to the provisions herein set forth, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Retention Awards under the Plan, (ii) fix the number of Retention Awards, if any, to be granted to each Eligible Participant and the date or dates on which such Retention Awards shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) of such Retention Awards, the whole subject to the terms and conditions prescribed in this Plan and in any Retention Award Agreement or Employment Agreement.

- (2) Subject to the vesting and other conditions and provisions herein set forth and in the Retention Award Agreement or Employment Agreement, each Retention Award awarded to a Participant shall entitle the Participant to receive, on the vesting date of the Retention Award, such number of Shares, disregarding fractions, which, when multiplied by the Market Value of the Shares on the vesting date of the Retention Award, to which the Retention Awards relate, have a value equal to the Retention Payment, less any amount withheld on account of income taxes, which withheld income taxes will be remitted by the Corporation.

Section 8.3 - Payment to Participant.

In the event that the vesting conditions of a Retention Award are satisfied, the Corporation shall, as soon as possible after the date of vesting of the Retention Awards cause the transfer agent and registrar of the Shares to either:

- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
- (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

Section 8.4 - Retention Award Agreements.

Retention Awards shall be evidenced by a Retention Award Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan, as the Board may from time to time determine, provided that the substance of Article 8 and Article 9 hereof be included therein. The Retention Award Agreement shall contain such terms that may be considered necessary in order that the Retention Award will comply with any provisions respecting such awards in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

Article 9— *General conditions*

Section 9.1 - **General Conditions applicable to Awards.**

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

- (1) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** - Subject to **Section 3.5**, neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant). Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.
- (3) **Conformity to Plan** – In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Transferrable Awards** – Awards granted under this Plan shall be transferrable or assignable only to a "permitted assign" and shall be exercisable only by the Participant or his or her permitted assign. For the purposes hereof, "permitted assign" means for such Participant:
 - (a) a trustee, custodian or administrator acting on behalf, or for the benefit, of the Participant;
 - (b) a holding entity of the Participant;
 - (c) a registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF") of the Participant, as such terms are defined in the Tax Act;
 - (d) a spouse of the Participant (the "**Spouse**");
 - (e) a trustee, custodian or administrator acting on behalf, or for the benefit, of the Spouse;
 - (f) a holding entity of the Spouse; or
 - (g) an RRSP or RRIF of the Spouse.

Section 9.2 - General Conditions applicable to Options, SARs and Retention Awards.

Each Option, SAR or Retention Award, as applicable, shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for “cause”, any Option, SAR or Retention Award or the unexercised or unvested portion thereof, as applicable, when granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation’s Code of Conduct and any reason determined by the Corporation to be cause for termination.
- (2) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, any vested Option, SAR or Retention Award or the unexercised portion thereof, granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options, SARs or Retention Awards (the “Vested Awards”) hereof on the date of such Participant’s death. Such Vested Award shall only be exercisable within one (1) year after the Participant’s death or prior to the expiration of the original term of the Options, SARs or Retention Awards, as applicable, whichever occurs earlier. All Options, SARs or Retention Awards or the unexercised or unvested portion thereof, as applicable, other than such Vested Awards on the date of such Participant’s death, will be cancelled on the date of such Participant’s death.
- (3) **Disability.** Upon a Participant ceasing to be an Eligible Participant by reason of injury or disability or upon a Participant becoming eligible to receive long-term disability benefits, any Option, SAR or Retention Award or the unexercised portion thereof, granted to such Participant may be exercised by such Participant or his/her representative as the rights to exercise accrue. Such Option, SAR or Retention Award shall only be exercisable (i) within three (3) years after such cessation or (ii) the effective date on which the Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits) (the “Eligibility Date”) or (iii) prior to the expiration of the original term of the Option, SAR or Retention Award, whichever occurs earlier. All Options, SARs or Retention Awards or the unexercised or unvested portion thereof, as applicable, on the date that is three (3) years after such cessation, will be cancelled on such date.
- (4) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for “cause”, death or disability) the right to exercise an Option, SAR or Retention Award shall be limited to and shall expire on the earlier of sixty (60) days after the Termination Date, or the expiry date of the Award set forth in the Grant Agreement, to the extent such Award was exercisable by the Participant on the Termination Date.

Section 9.3 - General Conditions applicable to RSUs.

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for “cause” or the Participant’s resignation from employment with the Corporation or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date.
- (2) **Cessation of Employment.** Except as otherwise determined by the Board from time to time, at their sole discretion, upon a Participant’s (i) retirement, (ii) employment with the Corporation or a Subsidiary being terminated by the Corporation or a Subsidiary for reasons other than for “cause”, (iii) employment with the Corporation or a Subsidiary being terminated by reason of injury or disability or (iv) becoming eligible to receive long-term disability benefits, the Participant’s participation in the Plan shall be terminated immediately (provided that, for the Participant becoming eligible to receive long-term disability benefits, such termination shall occur on the Eligibility Date), provided that all unvested RSUs in the Participant’s Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable RSU Vesting Determination Date.
- (3) **Retirement.** In the case of a Participant’s retirement, this Section (2) shall not apply to a Participant in the event such Participant, directly or indirectly, in any capacity whatsoever, alone, through or in connection with any person, carries on or becomes employed by, engaged in or otherwise commercially involved in, any activity or business in the geothermal power industry prior to the applicable RSU Vesting Determination Date. In such event, Section 9.3(2) shall apply to such Participant.
 - (a) If, on the RSU Vesting Determination Date, the Board determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant’s Account shall be forfeited and cancelled and the Participant’s rights to Shares that relate to such unvested RSUs shall be forfeited and cancelled.
 - (b) If, on the RSU Vesting Determination Date, the Board determines that the vesting conditions were met for such RSUs, the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant’s Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Performance Period, if any, as of the date of the Participant’s retirement, termination or Eligibility Date and the denominator of which shall be equal to the total number of months included in the applicable Performance Period, if any (which calculation shall be made on the applicable RSU Vesting Determination Date) and the Corporation shall distribute such number of Shares to the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant, as soon as practicable thereafter, but no later than the end of the Restriction Period, the Corporation shall debit the corresponding number of RSUs from such Participant’s Account, and the Participant’s rights to all other Shares that relate to such Participant’s RSUs shall be forfeited and cancelled.

- (4) **Death.** Except as otherwise determined by the Board from time to time, at their sole discretion, upon the death of a Participant, the Participant's participation in the Plan shall be terminated immediately, provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable RSU Vesting Determination Date or any earlier date as may be determined by the Board.
- (a) If, on the applicable RSU Vesting Determination Date or any earlier date as may be determined by the Board, the Board determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares (or cash or a combination of Shares and cash as permitted under this Plan) that relate to such unvested RSUs shall be forfeited and cancelled.
- (b) If, on the applicable RSU Vesting Determination Date or any earlier date as may be determined by the Board, the Board determines that the vesting conditions were met, the liquidator, executor or administrator, as the case may be, of the estate of the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Performance Period, if any, as of the date of death of the Participant and the denominator of which shall be equal to the total number of months included in the applicable Performance Period, if any (which calculation shall be made on the applicable RSU Vesting Determination Date or any earlier date as may be determined by the Board) and the Corporation shall distribute such number of Shares to the liquidator, executor or administrator, as the case may be, of the estate of the Participant as soon as practicable thereafter but no later than the end of the Restriction Period, the Corporation shall debit the corresponding number of RSUs from such deceased Participant's Account, and the Participant's right to all other Shares that relate to such deceased Participant's RSUs shall be forfeited and cancelled.
- (5) **Leave of Absence.** Except as otherwise determined by the Board from time to time, at their sole discretion, upon a Participant electing a voluntary leave of absence, including without limitation, maternity and paternity leaves, the Participant's participation in the Plan shall be terminated immediately, provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable RSU Vesting Determination Date.
- (a) If, on the applicable RSU Vesting Determination Date, the Board determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares (or cash or a combination of Shares and cash as permitted under this Plan) that relate to such unvested RSUs shall be forfeited and cancelled.
- (b) If, on the applicable RSU Vesting Determination Date, the Board determines that the vesting conditions were met, the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the relevant Performance Period, if any, as of the date the Participant

elects for a voluntary leave of absence and the denominator of which shall be equal to the total number of months included in the relevant Performance Period, if any (which calculation shall be made on the applicable RSU Vesting Determination Date) and the Corporation shall distribute such number of Shares (or cash or a combination of Shares and cash as permitted under this Plan) to the Participant as soon as practicable thereafter but no later than the end of the applicable Restriction Period, the Corporation shall debit the corresponding number of RSUs from such Participant's Account, and the Participant's right to all other Shares that relate to such Participant's RSUs shall be forfeited and cancelled.

- (c) Subject to applicable laws, the Board may decide, at their sole discretion that Section 9.3(5) should not apply to voluntary leaves, including without limitation, maternity and paternity leaves, granted to a Participant by the Corporation for a period of six (6) months or less. In such event, all unvested RSUs in such Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable RSU Vesting Determination Date.
- (6) **General.** For greater certainty, where (i) a Participant's employment with the Corporation or a Subsidiary is terminated pursuant to Sections Section 9.3(1), Section 9.3(2) or Section 9.3(4) hereof or (ii) a Participant elects for a voluntary leave of absence pursuant to Section 9.3(5) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

Section 9.4 - General Conditions applicable to Restricted Shares.

- (1) Upon a Participant ceasing to be an Eligible Participant for any reason, any Restricted Shares that have not vested at such time shall automatically and without any requirement of notice to such Participant, or other action by or on behalf of the Corporation, be deemed to have been reacquired by the Corporation from such Participant, and thereafter shall cease to represent any ownership in the Corporation by the Participant or rights of the Participant as a shareholder of the Corporation. Following such deemed reacquisition, the Participant shall surrender any certificates representing Restricted Shares in such Participant's possession to the Corporation upon request without consideration.

Article 10 – *Adjustments and amendments*

Section 10.1 - **Adjustment to Shares Subject to Outstanding Awards.**

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 10.1(1) or Section 10.1(2) hereof or, subject to the provisions of Section 10.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “Successor Corporation”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 10.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had

been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.

- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 10.2 - Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
 - (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 10 hereof;
 - (b) be subject to any regulatory approvals including, where required, the approval of the TSX; and
 - (c) be subject to shareholder approval, where required by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) amendments of a "housekeeping" nature;
 - (ii) a change to the vesting provisions of any Award;
 - (iii) the introduction or amendment of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Plan reserve; and
 - (iv) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted.
- (2) Notwithstanding Section 10.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:
 - (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 10;

- (b) any amendment which reduces the exercise price of any Award, as applicable, after such Awards have been granted or any cancellation of an Award and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 10;
 - (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
 - (d) any amendment to remove or to exceed the Insider participation limit pursuant to Section 2.4(3);
 - (e) any amendment which would permit any Award granted under the Plan to be transferable or assignable by any Participant other than as allowed by Section 9.1(4); or
 - (f) any amendment to the amendment provisions of the Plan,
 - provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (b) and (c) shall be excluded when obtaining such shareholder approval.
- (3) Notwithstanding anything contained to the contrary in the Plan, in a Grant Agreement contemplated herein, but subject to any specific provisions contained in any Employment Agreements, in the event of a Change in Control, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the Securities Act (Ontario) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing the Performance Criteria and/or other vesting conditions for the Awards and/or the date on which any Award expires or the Restriction Period, the Performance Period, the Performance Criteria and/or other vesting conditions for the Awards.
- (4) The Board may, by resolution, advance the date on which any Award may be exercised or payable or, subject to applicable regulatory provisions, including the rules of the TSX, and shareholder approval, extend the expiration date of any Award, in the manner to be set forth in such resolution provided that the period during which an Option or a SAR is exercisable or RSU is outstanding does not exceed five (5) years from the date such Option or SAR is granted in the case of Options and SARs and three (3) years after the calendar year in which the award is granted in the case of RSUs. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which any Option or SAR may be exercised or RSU may be outstanding by any other Participant.
- (5) The Committee may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Committee.
- (6) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

Article 11 - *Miscellaneous*

Section 11.1 - Use of an Administrative Agent and Trustee.

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

Section 11.2 - Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by
 - (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 11.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) Notwithstanding the first paragraph of this Section 11.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 11.3 - Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 11.4 - Governing Laws.

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

Section 11.5 - Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 11.6 - Effective Date of the Plan.

The Plan, as amended and restated, was re-approved by the Board and shall take effect on June 20, 2017, subject to the acceptance of the Plan by the shareholders of the Corporation, the TSX and any other applicable regulatory authorities.



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