

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of April, 2021.

Commission File Number: **001-38524**

**Titan Medical Inc.**

(Exact Name of Registrant as Specified in Charter)

**155 University Avenue, Suite 750  
Toronto, Ontario M5H 3B7  
Canada**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.  
Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**TITAN MEDICAL INC.**  
(Registrant)

Date: April 16, 2021

By: /s/ Monique L. Delorme  
Name: Monique L. Delorme  
Title: Chief Financial Officer

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**EXHIBIT INDEX**

<u>99.1</u>	<u>Titan Medical Inc. Stock Option Plan (Amended and Restated effective as of October 20, 2020)</u>
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## TITAN MEDICAL INC.

## STOCK OPTION PLAN

(Amended and Restated effective as of October 20, 2020)

**1. The Plan and Definitions**

A stock option plan (this “**Plan**”), pursuant to which options to purchase common shares in the capital of Titan Medical Inc. (the “**Corporation**”) may be granted to the directors, officers and employees of the Corporation and to Service Providers retained by the Corporation, is hereby established on the terms and conditions set forth herein.

The trading price of the Common Shares may vary from time to time and the advantage conferred by the granting of an Option may not be guaranteed. Accordingly, each person who has been granted an Option must decide, in accordance with his own estimate and financial situation, if it is appropriate to exercise any Option granted under this Plan. The decision to exercise or to not exercise an Option shall not affect in any way the status of the option holder within the Corporation or its subsidiaries.

The following capitalized terms used herein shall have the meanings ascribed thereto as follows:

- (a) “**Affiliate**” shall have the meaning ascribed thereto in the *Securities Act* (Ontario) and regulations and instruments published and adopted pursuant thereunder;
- (b) “**Black Out Period**” means the period during which the Corporation has imposed trading restrictions on its insiders and certain other persons pursuant to its insider trading and disclosure policies;
- (c) “**Board**” means the Board of Directors of the Corporation;
- (d) “**control**” and “**controlled**” shall have the meanings ascribed thereto in the *Securities Act* (Ontario);
- (e) “**Common Shares**” means the common shares in the capital of the Corporation;
- (f) “**Compensation Plans**” means this Plan, the DSU Plan and the SU Plan;
- (g) “**Disability**” means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:
  - (i) being employed or engaged by the Corporation, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Corporation or its subsidiaries; or
  - (ii) acting as a director or officer of the Corporation or its subsidiaries;
- (h) “**DSU Plan**” means the Deferred Share Unit Plan of the Corporation effective as of May 29, 2019;
- (i) “**Eligible Assignee**” means, in respect of a Participant, that person’s spouse, minor children or minor grandchildren, Eligible Retirement Plan, Eligible Corporation or Eligible Family Trust;

- (j) “**Eligible Corporation**” means, in respect of a Participant, a corporation controlled by that person and all the shares of which are held by that person and/or Eligible Assignees of that person;
- (k) “**Eligible Family Trust**” means, in respect of a Participant, a trust of which the Eligible Person is a trustee and of which all beneficiaries are that person and/or Eligible Assignees;
- (l) “**Eligible Retirement Plan**” means, in respect of a Participant in Canada, a registered retirement savings plan or registered retirement income fund established by that person or under which the beneficiary or annuitant is that person, and in respect of a Participant in the United States, a 401(k) plan or individual retirement account established by that person or under which the beneficiary or annuitant is that person;
- (m) “**Exchange**” means the Toronto Stock Exchange and/or such other stock exchange upon which the Common Shares may become listed;
- (n) “**Insider**” means a “reporting insider” (as such term is defined in National Instrument 55-104 –*Insider Reporting Requirements and Exemptions*) and “associates” and “affiliates” thereof (as such terms are defined in the rules of the Exchange or where they are not so defined, as such terms are defined in the *Securities Act* (Ontario));
- (o) “**Insider Participation Limit**” means the number of Common Shares:
  - (i) issued to Insiders, within any one year period, and
  - (ii) issuable to Insiders, at any time,under this Plan, and when combined with the SU Plan, DSU Plan and all of the Corporation’s other security based compensation arrangements (if any), do not exceed 15% of the Corporation’s total issued and outstanding common shares;
- (p) “**Option Period**” shall mean the period during which an Option may be exercised;
- (q) “**Options**” shall mean options to purchase Common Shares granted under this Plan and includes Incentive Stock Options and Nonqualified Stock Options;
- (r) “**Participant**” shall have the meaning ascribed to in Section 6(a);
- (s) “**Service Providers**” shall mean persons engaged by the Corporation or by any Affiliate of the Corporation to provide services (i) where the person is in the United States, on a continuous basis for an initial, renewable or extended period of twelve months or more and, in the United States, shall only include those persons who may participate in an “Employee Benefit Plan” as set forth in Rule 405 of the U.S. Securities Act, or (ii) where the person is outside the United States, the said person meets the definition of a “consultant” as such term is defined in National Instrument 45-106 –*Prospectus Exemptions*; provided that such persons are natural persons, provide bona fide services to the Corporation and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (t) “**SU Plan**” means the Share Unit Plan of the Corporation effective as of May 29, 2019;
- (u) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended; and

- (v) “VWAP” means the volume weighted average trading price of the Common Shares on the Exchange, calculated by dividing the total value by the total volume of Common Shares traded for the relevant period.

## 2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and Service Providers retained by the Corporation to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation’s shareholders generally; (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

## 3. Administration

- (a) This Plan shall be administered by the Board.
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries and permitted assignees hereunder.
- (c) The Board’s authority to make amendments to this Plan without shareholder approval shall be in accordance with Section 18 below.
- (d) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the Chief Executive Officer or any other officer of the Corporation. Whenever used herein, the term “Board” shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.
- (e) Options shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.
- (f) The Board shall not grant Options to residents of the United States unless such Options are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

## 4. Shares Subject to Plan

- (a) Subject to Section 15 below, the securities that may be acquired by Participants upon the exercise of Options shall be deemed to be fully authorized and issued Common Shares. Whenever used herein, the term “Common Shares” shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.

- (b) The aggregate number of Common Shares reserved for issuance under this Plan and all of the other Compensation Plans of the Corporation, shall not, at the time of the stock option grant, exceed fifteen percent (15%) of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such limit.
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any un-purchased Common Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

**5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

**6. Eligibility and Participation**

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan and to receive Options under this Plan:

- (i) directors of the Corporation and of any Affiliate of the Corporation;
- (ii) officers of the Corporation and of any Affiliate of the Corporation;
- (iii) employees of the Corporation and of any Affiliate of the Corporation; and
- (iv) Service Providers;

(any such person having been selected for participation in this Plan by the Board is herein referred to as a **'Participant'**).

- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.

**7. Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Common Shares may be acquired upon the exercise of such Option provided that such exercise price may not be lower than the greater of (i) the VWAP of the Common Shares on the Exchange over the period of five days immediately preceding the date of the grant, and (ii) the closing price of the Common Shares on the Exchange on the last trading day preceding the date of grant. In addition, the exercise price of an Option must be paid in cash. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected Participant is an Insider.

**8. Number of Optioned Shares**

The number of Common Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) in any 12-month period.

This Plan limits the number of Options which may be granted to Insiders to the Insider Participation Limit except in circumstances where the Corporation has obtained disinterested shareholder approval for grants of Options to Participants who are Insiders where any such grant or grants would result in the Insider Participation Limit being exceeded.

**9. Term**

The Option Period shall be determined by the Board at the time that the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole and unfettered discretion at the time that such Option is granted and Sections 11, 12 and 16 below, provided that:

- (a) no Option shall be exercisable for a period exceeding ten (10) years from the date that the Option is granted unless the Corporation receives the required approval of the stock exchange or exchanges on which the Common Shares are then listed and as specifically provided by the Board and as permitted under the rules of any stock exchange or exchanges on which the Shares are then listed;
- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Common Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part; and
- (d) notwithstanding the expiration date applicable to any Option, if an Option would otherwise expire during a Black Out Period or during the period of ten business days immediately following the last day of a Black Out Period, the expiration date of such Option shall be the tenth business day following the expiration of the Black Out Period, provided that in no event shall the period during which said Option is exercisable be extended beyond 10 years from the date such Option is granted to the Participant.

**10. Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or Service Provider of the Corporation or an Eligible Assignee.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his legal, personal representative) or Eligible Assignee wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Toronto, Ontario:



- (i) a written notice expressing the intention of such Participant (or his legal, personal representative) or Eligible Assignee to exercise the Option and specifying the number of Common Shares in respect of which the Option is exercised; and
  - (ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Common Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Common Shares in respect of which the Option has been duly exercised.
- (e) No Option holder who is resident in the United States may exercise Options unless the Common Shares to be issued upon exercise are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.
- (f) The Corporation shall be entitled to take all steps necessary to ensure that sufficient funds are provided to the Corporation by the Participant or Eligible Assignee to enable the Corporation to satisfy all withholding tax and other source deduction requirements in respect of the exercise of an Option by the Participant or Eligible Assignee that are imposed by any applicable law, including:
- (i) deducting and withholding any amount from any payments made to the Participant or Eligible Assignee, whether hereunder or otherwise;
  - (ii) requiring from the Participant or Eligible Assignee a cash payment, certified cheque or bank draft in the amount specified by the Corporation; and
  - (iii) requiring that the Participant or Eligible Assignee enter into a same-day sale in respect of some or all of the Common Shares received on the exercise of an Option, with a portion of the sale proceeds being remitted directly to the Corporation.

**11. Ceasing to be a Director, Officer, Employee or Service Provider**

Unless the Board otherwise determines:

- (a) if a Participant is dismissed for cause as a director, officer or employee of, or Service Provider to, the Corporation or one of its subsidiaries, all unexercised Option rights of that Participant or such Participant's Eligible Assignee (where the Participant has assigned the Option to such Eligible Assignee) under this Plan shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under this Plan; and

- (b) if any Participant shall cease to hold the position or positions of director, officer, employee or Service Provider of the Corporation (as the case may be) as a result of (i) retirement at the normal retirement age prescribed by the Corporation, if any; (ii) resignation; or (iii) termination other than for cause; such Participant or such Participant's Eligible Assignee (where the Participant has assigned the Option to such Eligible Assignee) shall have the right for a period to be determined by the Board not exceeding 90 days, or such longer period determined by the Board at its discretion in respect of a specific Option on a date after such Option is granted notwithstanding an earlier determination by the Board, from the date of the Participant ceasing to be a director, officer, employee or Service Provider to exercise his Options under this Plan with respect to all Common Shares issuable thereunder to the extent that the Options were exercisable on the date of such Participant ceasing to hold any such position with the Corporation, or until the normal expiry date of the Option, whichever is earlier. Upon the expiration of such period, all unexercised Option rights of that Participant and any Eligible Assignee thereof under this Plan shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such Participant under this Plan.

For greater certainty, the termination of any Options held by the Participant or his Eligible Assignee, and the period during which the Participant or his Eligible Assignee may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or Service Provider of the Corporation (as the case may be).

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall: (i) confer upon such Participant any right to continue as a director, officer, employee or Service Provider of the Corporation, as the case may be; or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or Service Provider of the Corporation, as the case may be.

#### **12. Death or Disability of a Participant**

In the event of the death of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death of such Participant, whichever is earlier, and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that he was entitled to exercise the Option as at the date of his death.

Notwithstanding Section 11, in the event of the Disability of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the determination by the Board of the Disability, whichever is earlier.

#### **13. Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Common Shares issuable upon exercise of such Option until such Common Shares have been paid for in full and issued to such person.

#### **14. Proceeds from Exercise of Options**

The proceeds from any issuance of Common Shares upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

## 15. Adjustments

- (a) The number of Common Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Common Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Common Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Common Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent any dilution or enlargement of the same.
- (b) Adjustments under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Common Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

## 16. Change of Control

Notwithstanding any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant or his Eligible Assignee shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

For the purpose of this Plan, “change of control of the Corporation” means and shall be deemed to have occurred upon:

- (a) the acceptance by the holders of Common Shares of the Corporation, representing in the aggregate, more than 50 percent (50%) of all issued Common Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Common Shares of the Corporation; or
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares of the Corporation, which together with such person’s then owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than fifty percent (50%) of the combined voting rights of the Corporation’s then outstanding Common Shares; or
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation’s business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who were members of the Board immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election.

**17. Transferability**

- (a) Subject to sub-Section 17(b), all Options and all benefits, interests and rights accruing to any Participant (or such Participant's Eligible Assignee) in accordance with the terms and conditions of this Plan may only be exercised by the Participant (or such Participant's Eligible Assignee) during the lifetime of a Participant and shall be non-transferrable and non-assignable and may not be made subject to execution, attachment or similar process, save and except with the prior written permission of the Board, or in the event of the death of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable laws of descent and distribution.
- (b) Notwithstanding sub-Section 17(a) but subject to obtaining any necessary approvals in advance from the Corporation and from each Exchange on which the Common Shares are listed and which reserves the right to approve such assignments, a Participant may assign Options granted to him under the Plan to Eligible Assignees and Eligible Assignees may, in turn, assign such Options to the original Participant or to other Eligible Assignees of the original Participant. Notwithstanding any such assignment, (i) all Options granted under the Plan shall be deemed to be the Option of the original Participant for the purposes of applying the rules and policies of the Exchange on which the Common Shares are listed and (ii) the Corporation shall continue to treat the original Participant as the holder of the assigned Options unless and until such time as the Corporation is provided with notice in writing from the original Participant or its legal representative and the Eligible Assignee, together with such other documentation as the Corporation may require, confirming that the assignee is an Eligible Assignee.

**18. Amendment and Termination of Plan**

The Board may also, at any time, amend or revise the terms of this Plan, subject to the receipt of all necessary shareholder, Exchange and regulatory approvals, and any such amendment or revision shall apply to any Options theretofore granted under this Plan.

The Board has the discretion to make amendments to this Plan which it may deem necessary, without having to obtain shareholder approval including, without limitation:

- (a) minor changes of a "housekeeping nature";
- (b) amending Options under this Plan, including with respect to the Option Period (provided that the period during which an Option is exercisable does not exceed 10 years from the date the Option is granted and that such Option is not held by an Insider), vesting period, exercise method and frequency, subscription price (provided that such Option is not held by an Insider) and method of determining the subscription price, assignability and effect of termination of a Participant's employment or cessation of the Participant's directorship;
- (c) changing the class of Participants eligible to participate under this Plan;
- (d) accelerating the vesting of any Option;
- (e) extending the expiration date of any Option provided that the period during which an option is exercisable does not exceed 10 years from the date the Option is granted and provided that such Option is not held by an Insider, and where such Option is held by an Insider in such case, shareholder approval shall be obtained in connection with the extension;

- (f) changing the terms and conditions of any financial assistance which may be provided by the Corporation to Participants to facilitate the purchase of Common Shares under this Plan; and
- (g) adding a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying Common Shares from this Plan reserve.

Shareholder approval will be required in the case of: (i) any amendment to the amendment provisions of this Plan; (ii) any increase in the maximum number of Common Shares issuable under this Plan; (iii) any reduction in the exercise price or extension of the Option Period benefiting an insider of the Corporation; and (iv) any amendment to remove or exceed the Insider Participation Limit, in addition to such other matters that may require shareholder approval under the rules and policies of the Exchange.

**19. Necessary Approvals**

The obligation of the Corporation to issue and deliver Common Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Common Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant (or his Eligible Assignee) as soon as practicable.

**20. Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Exchange.

**21. Market Fluctuations**

No amount will be paid to, or in respect of, a Participant (or any Eligible Assignee) under the Plan to compensate for a downward fluctuation in the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or any Eligible Assignee) for such purpose.

The Corporation makes no representations or warranties to Participants (or any Eligible Assignee) with respect to the Plan or the Options whatsoever. Participants (and any Eligible Assignees) are expressly advised that the value of any Options in the Plan will fluctuate as the trading price of Common Shares fluctuates.

In seeking the benefits of participation in the Plan, a Participant (and each Eligible Assignee) agrees to exclusively accept all risks associated with a decline in the market price of Common Shares whether before or after the exercise of Options and all other risks associated with participation in the Plan.

**22. Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

**23. Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Toronto, Ontario (Attention: Chief Financial Officer); or if to a Participant (or to an Eligible Assignee), to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

**24. Gender**

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

**25. Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario.

This Plan is subject to the approval of the stock exchange or exchanges on which the Common Shares are listed and, if applicable, of the shareholders of the Corporation.

**26. Effective Date of Plan**

This amended and restated Plan incorporates a prior version of this Plan ("Prior Plan") that became effective upon approval by shareholders of the Corporation on May 29, 2019 and certain amendments to the Prior Plan approved by the Board on October 20, 2020.

## TITAN MEDICAL INC.

## SHARE UNIT PLAN

ARTICLE 1  
RECITALS

- 1.1 **Purpose.** Titan Medical Inc. (together with any successor thereto, the “**Corporation**”) wishes to establish this Titan Medical Inc. Share Unit Plan (the “**Plan**”) in order to:
- (a) encourage selected Eligible Employees and Service Providers of the Corporation and its Affiliates to:
    - (i) acquire a proprietary interest in the growth and performance of the Corporation,
    - (ii) generate an increased incentive to contribute to the Corporation’s future success and prosperity, and
    - (iii) align the interests of such Eligible Employees and Service Providers with the Corporation’s long-term strategy and with the interests of the Corporation’s shareholders, and
  - (b) enhance the ability of the Corporation and its Affiliates to attract and retain exceptionally qualified individuals upon whom, in large measure, the sustained progress, growth and profitability of the Corporation depend.

ARTICLE 2  
DEFINITIONS

- 2.1 **Definitions.** As used in the Plan, the following terms shall have the meanings set forth below:

- (a) “**Affiliate**” means: (i) any entity that, directly or through one or more intermediaries, is controlled by the Corporation and (ii) any entity in which the Corporation has a significant equity interest, as determined by the Board.
  - (b) “**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law (collectively, the “**Law**”) relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Governmental Body having jurisdiction, or charged with its administration or interpretation.
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- (c) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts which the Corporation is required by law to withhold from any amounts to be paid or credited hereunder.
- (d) “**Award**” means any award of Restricted Share Units or Performance Share Units granted under the Plan.
- (e) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Corporation as evidencing any Award granted under the Plan.
- (f) “**Award Date**” means in respect of: (i) RSUs awarded to a Non-Employee Director, unless otherwise determined by the Board, the date of the Award Agreement; or (ii) Dividend RSUs awarded to a Non-Employee Director in accordance with Section 4.5, the next Business Day following the applicable dividend payment date.
- (g) “**Board**” means the board of directors of the Corporation as constituted from time to time.
- (h) “**Business Day**” means a day, other than a Saturday or Sunday, on which banking institutions in Toronto, Ontario are not authorized or obligated by law to close.
- (i) “**Cash Compensation**” means the portion of a Non-Employee Director’s compensation that has been determined by the Board to be payable in cash unless the Non-Employee Director makes an election to receive it in RSUs, which election shall be substantially in the form attached hereto as Schedule B for Non-U.S. Participants or Schedule C for U.S. Participants.
- (j) “**Cause**”, with respect to a Participant shall, if such Participant has entered into a written employment agreement with the Corporation or an Affiliate that is in force and contains a definition of “**Cause**”, have the meaning given to the term in that agreement, or, if no such agreement exists, or if “**Cause**” is not defined therein, then Cause will have the following meaning, provided that the existence of Cause shall be determined in good faith by the Board or a designee of the Board:
  - (i) misconduct which constitutes a material breach of any of the Participant’s obligations to the Corporation, or an Affiliate, including any material obligations set forth in any written agreement governing the terms of the Participant’s employment and such breach, if curable, has not been cured within fifteen (15) days after written notice by the Corporation, or the affected Affiliate, to the Participant;
  - (ii) fraud, embezzlement, theft or other material dishonesty by the Participant with respect to the Corporation, or an Affiliate;



- (iii) breach of his or her fiduciary duties to the Corporation, or an Affiliate, or misconduct which has, or could reasonably be expected to have, a material adverse effect upon the business, interests or reputation of the Corporation, or an Affiliate, and such breach or conduct, if curable, has not been cured within fifteen (15) days after written notice by the Corporation, or the affected Affiliate, to the Participant;
- (iv) indictment or entering of a guilty plea for any indictable offence or felony or an analogous offence under the laws of another jurisdiction;
- (v) refusal or failure to attempt in good faith to follow or carry out the reasonable instructions of the Board which failure, if curable, does not cease within fifteen (15) days after written notice of such failure is given to the Participant by the Board; or
- (vi) any other act or omission of the Participant that would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of such Participant.

Notwithstanding the foregoing, to the extent that an alternative definition of Cause is provided in the Participant's Award Agreement, "Cause" shall have the meaning assigned thereto; provided that any alternative definition of Cause in the Award Agreement shall govern and supersede any alternative definition of Cause in any applicable employment agreement to the extent of any inconsistencies between such definitions.

- (k) **"Change of Control"** means any occurrence of the following events:
  - (i) the completion of a merger, amalgamation, consolidation, reorganization, arrangement or other business combination of the Corporation with or into another corporation (other than a merger, amalgamation, consolidation, reorganization, arrangement or other business combination of the Corporation with any subsidiary);
  - (ii) the acquisition of all or substantially all of the outstanding common shares of the Corporation pursuant to a take-over bid;
  - (iii) the sale of all or substantially all of the assets of the Corporation; or
  - (iv) any other acquisition of the business of the Corporation as determined by the Board.
- (l) **"Change of Control Termination"** means, provided in each case such event occurs within eighteen (18) months following a Change of Control without the Participant's consent:
  - (i) any termination by the Corporation of the employment of a Participant, as a result of a Change of Control;

- (ii) any requirement by the Corporation or by any applicable Affiliate that the Participant's principal office be relocated more than 100 kilometers (or 60 miles as applicable) away from where it was prior to a Change of Control;
  - (iii) any change in the Participant's title, reporting relationship, responsibilities or authority as in effect immediately prior to any Change of Control which adversely affects to a material degree the Participant's role in the management of the Corporation or of any Affiliate, as applicable;
  - (iv) any material reduction in value of the Participant's compensation including, but not limited to, salary and any pension plan, stock option plan, investment plan, profit sharing plan, savings plan, bonus plan or life insurance, medical plans or disability plans or other employee benefit plan provided by the Corporation (or by any Affiliate if applicable) to and in which the Participant is participating or under which the Participant is covered, all as in effect immediately prior to any Change of Control; or
  - (v) the assignment to the Participant, following a Change of Control of any significant, ongoing duties which are inconsistent with the Participant's skills, position (including status, offices, titles and reporting requirements), authority, duties or responsibilities prior to the Change of Control, or any other action by the Corporation or by any applicable Affiliate which results in substantial diminution in such position.
- (m) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended.
  - (n) "**Committee**" means the Human Resources or Compensation Committee of the Board or any other committee comprising either the Board or such members or committee(s) of the Board as may be designated by the Board.
  - (o) "**Director Election Form for U.S. Participants**" means a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.
  - (p) "**Disability**" in relation to a Participant means qualification for long-term disability benefits under the long-term disability plan of the Corporation or of an Affiliate.
  - (q) "**Dividend RSUs**" means a further right to acquire a fully-paid and non-assessable Share granted in accordance with Section 4.5.
  - (r) "**Eligible Employee**" means a regular full-time or part-time employee of the Corporation or of an Affiliate of the Corporation, including an officer or Non-Employee Director, and may at the discretion of the Committee include an employee who is on leave of absence from the Corporation, but does not include a probationary employee, a temporary full-time or part-time employee.

- (s) “**Exercise Date**” means (i) for a non-U.S. Participant, the date or dates specified by such Participant in a Notice of Exercise which shall not be later than the Exercise Deadline, (ii) for a non-U.S. Participant, in the event of the death of the Participant prior to the Participant otherwise ceasing to hold all positions with the Corporation and its Affiliates, the date of death of the Participant, and (iii) for a U.S. Participant, the permissible payment dates or events specified in the Director Election Form for U.S. Participants, or as specified in Schedule A if a Director Election Form for U.S. Participants has not been executed.
- (t) “**Exercise Deadline**” means five (5) years from the Award Date, such earlier date as contemplated in Section 6.5, or such other date as determined by the Board or Committee.
- (u) “**Fair Market Value**” on a particular date shall mean the closing price of the Shares on that date as reported on the TSX or Nasdaq, as applicable, or if the TSX or Nasdaq, as applicable, is not open on such date, the immediately preceding date on which the applicable stock exchange is open. If the Shares are not listed and posted for trading on the applicable stock exchange at the relevant time, it shall be the fair market value of the Share, as determined by the Board acting in good faith.
- (v) “**Forfeiture Date**” means the date, as determined by the Committee in its discretion, on which a Participant:
  - (i) resigns from employment with the Corporation or with an Affiliate as contemplated in Section 6.1;
  - (ii) is terminated for Cause as contemplated in Section 6.2; or
  - (iii) is terminated by the Corporation or by a Subsidiary without Cause as contemplated in Section 6.3 (not taking into account any period of notice or pay in lieu of notice which follows the Participant’s last day of actual and active employment).
- (w) “**Governmental Body**” means any government, parliament, legislature, regulatory authority, agency, commission, board or court or other law-making entity, rule-making entity, or regulation-making entity having or purporting to have jurisdiction on behalf of any nation or state or province or other subdivision thereof including any municipality or district or county.
- (x) “**Grant Date**” means the date on which an Award is granted pursuant to the Plan.
- (y) “**Insider**” means (i) an insider of the Corporation, as defined in the *Securities Act* (Ontario) other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of (i) above;
- (z) “**Market Shares**” mean Shares purchased in the open market on the TSX, Nasdaq, or on any other securities exchange where Shares are traded.

- (aa) “**Nasdaq**” means the NASDAQ Stock Market LLC or any successor thereto.
- (bb) “**Non-Employee Director**” means a member of the Board that is not a full-time or part-time employee of the Corporation.
- (cc) “**Notice of Exercise**” means a notice substantially in the form set out as Schedule D, as amended by the Committee from time to time.
- (dd) “**Participant**” means an Eligible Employee or Service Provider designated to be granted an Award under the Plan.
- (ee) “**Payment Value**” means the value of an Award on the Vesting Date, which shall be calculated using a formula determined by the Committee at the time of grant based on either (i) the Fair Market Value of one Share as of the day immediately preceding the Vesting Date multiplied by the number of Share Units held by the Participants on the Vesting Date, or (ii) an average of the Fair Market Value of one Share over a specified number of days prior to the Vesting Date multiplied by the number of Share Units held by the Participant on the Vesting Date.
- (ff) “**Performance Criteria**” means any quantitative and/or qualitative measures, as determined by the Committee, which may be used to measure the level of performance of the Corporation, any applicable Affiliate or any individual Participant during a Vesting Period, and may include arrangements under which the grant, issuance, retention, vesting and/or transferability of any applicable Award is subject to such criteria and such additional conditions or terms as may be designated by the Committee.
- (gg) “**Performance Multiplier**” has the meaning described in Section 5.2(c).
- (hh) “**Performance Share Unit**” or “**PSU**” means any right granted under this Plan which is subject to *inter alia*, a Vesting Period and Performance Criteria.
- (ii) “**Person**” means any individual (whether acting as an executor, trustee, administrator, legal representative or otherwise), corporation, estate, firm, partnership, limited partnership, sole proprietorship, syndicate, joint venture, trustee, trust, association, joint stock company, business trust, limited liability company, government or any department or agency thereof, unincorporated organization or association, and pronouns have a similar extended meaning.
- (jj) “**Restricted Share Unit**” or “**RSU**” means any right granted under this Plan which is subject to, *inter alia*, a Vesting Period.
- (kk) “**Retirement**” means the retirement of a Participant from the employ of the Corporation or any Affiliate whereupon the Participant does not take up full-time employment with any other employer so long as the Participant is the holder of any outstanding Award, provided that in all cases, Retirement of a Participant will not be deemed to have occurred unless the Participant is at least 65 years of age at the time of Retirement.

- (ll) **“Service Provider”** means any person engaged by the Corporation or by any Affiliate of the Corporation to provide services (i) where the person is in the United States, on a continuous basis for an initial, renewable or extended period of twelve months or more and, in the United States, shall only include those persons who may participate in an “Employee Benefit Plan” as set forth in Rule 405 of the U.S. Securities Act, or (ii) where the person is outside the United States, the said person meets the definition of a “consultant” as such term is defined in National Instrument 45-106 - *Prospectus Exemptions*; provided that such person is a natural person, provides bona fide services to the Corporation and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (mm) **“Share Compensation Arrangement”** means any stock option performance share unit, restricted share unit, stock option plan, share unit plan, long-term or short-term incentive plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a purchase of Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise.
- (nn) **“Shares”** mean the common shares of the Corporation and such other securities as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made pursuant to the provisions of Article 4 of the Plan.
- (oo) **“Share Units”** mean, collectively, Performance Share Units and Restricted Share Units.
- (pp) **“Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time.
- (qq) **“Trading Day”** means any day on which the TSX or Nasdaq is open for business.
- (rr) **“TSX”** means the Toronto Stock Exchange or any successor thereto.
- (ss) **“U.S. Participant”** means a current or former Non-Employee Director who is a United States citizen or resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code.
- (tt) **“Vesting Date”** means the last Trading Day of the Vesting Period determined in accordance with Sections 5.2(a), 5.2(b) and 5.2(c).
- (uu) **“Vesting Period”** means any period as determined by the Committee, during which period the Participant who is the beneficiary of an Award must remain continuously employed by the Corporation or by any Affiliate, unless otherwise provided for in this Plan. A Participant will be considered employed by the Corporation or an Affiliate only up until the Participant’s last day of actual and active employment with the Corporation or Affiliate, not including any notice period. For greater certainty, no period of notice of termination or pay in lieu thereof that is given (or that ought to have been given) in respect of any termination of employment will be considered as extending a Participant’s period of employment for the purpose of determining his or her entitlements under this Plan. In case of doubt as to an individual’s status as an Eligible Employee or Service Provider during the Vesting Period, the determination of the Committee shall be final.

- 2.2 **Extended Meanings.** In this Plan, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.
- 2.3 **Calculation of Time Periods.** In this Agreement, except as otherwise expressly provided, when calculating the period of time within which or following which any act is to be done or step taken, such period will exclude the first day referenced in the period and include the last day referenced in the period and if the last day of the period is not a Trading Day, the period in question will end on the next Trading Day.
- 2.4 **Headings.** The division of this Plan into articles, sections, and subsections, and the use of headings, is for convenience of reference only and will not modify or affect the interpretation or construction of this Agreement.
- 2.5 **Use of the word Including** The word “includes” or “including” shall mean “includes without limitation” or “including without limitation”, respectively.

**ARTICLE 3  
ADMINISTRATION**

- 3.1 **Committee to Interpret Plan.** Except as otherwise provided herein, the Plan shall be administered by the Committee, which shall have the power to interpret the Plan and to adopt such rules and guidelines for implementing the terms of the Plan as it may deem appropriate. The Committee shall have the ability to modify the Plan provisions, to the extent necessary, or delegate such authority, to accommodate any changes in Applicable Law in jurisdictions in which Participants will receive Awards.
- 3.2 **Power of the Committee.** Subject to the terms of the Plan and Applicable Law, the Committee shall have full power and authority to:
- (a) designate Participants;
  - (b) determine the type or types of Awards to be granted to each Participant under the Plan;
  - (c) determine the number of Share Units to be covered by Awards (or to determine whether any payments, rights, or other matters are to be calculated in connection with Awards);
  - (d) determine the terms and conditions of any Award;

- (e) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Market Shares, other securities or other Awards, or cancelled, forfeited, or suspended, and the method or methods by which Awards may be settled, exercised, cancelled, forfeited, or suspended;
- (f) determine any acceleration of exercisability or vesting, or waiver of termination or forfeiture regarding any Share Unit, based on such factors as the Committee may determine;
- (g) determine whether, to what extent, and under what circumstances cash, Market Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee;
- (h) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan;
- (i) establish, amend, suspend, or waive such rules and guidelines;
- (j) appoint such agents as it shall deem appropriate for the proper administration of the Plan;
- (k) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and
- (l) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

3.3 **Procedure.** The following shall be the process for the granting of Awards:

- (a) the Board shall have the sole power, prerogative and authority to grant Share Units to Participants;
- (b) the Committee shall be responsible for recommending any grant of Share Units, and shall do so by making a written proposal to the Board at a regularly scheduled Board meeting, setting out the following:
  - (i) the name of the Participants,
  - (ii) with respect to each grant of Share Units,
    - (A) the number allocated,
    - (B) the proposed Grant Date,

- (C) the Performance Criteria and Performance Multiplier (only with respect to grants of Performance Share Units),
- (D) the Vesting Period and the Vesting Date,
- (E) the Exercise Date and Exercise Deadline (only with respect to grants of Restricted Share Units and Dividend Restricted Share Units to Non-Employee Directors),
- (F) the formula for calculating the Payment Value, and
- (G) any other applicable restrictions, which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise, as the Committee may deem appropriate;

- (c) if there is no undisclosed material information regarding the Corporation at the meeting at which the grants are approved, the date of such meeting shall be considered the Grant Date; if there is undisclosed material information at such meeting, the Grant Date shall be the second Trading Day after the disclosure by the Corporation of such information; and
- (d) the administrative processing of the grants shall be completed in not more than four (4) Trading Days from the date of the report referred to in subclause 3.3(d) above, including the issuance to Participants of a notice indicating at least all of the information referred to in sub-clause 3.3(b)(ii) above.

3.4 **Administration of the Plan.** Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time, and shall be final, conclusive, and binding upon all Persons, including the Corporation, any Affiliate, any Participant, any holder or beneficiary of any Award, any shareholder, and any employee of the Corporation or of any Affiliate.

3.5 **Number of Shares to be issued under the Plan** Under the Plan and all of the other Share Compensation Plans:

- (a) the maximum number of Shares issuable pursuant to outstanding Share Units and all other Share Compensation Arrangements, shall not exceed 15% of the Shares outstanding from time to time;
- (b) the number of Shares of the Corporation that may be issued to any single Participant and his, her or its associates within any one-year period may not exceed 5% of the issued and outstanding securities of the Corporation;
- (c) the number of Shares of the Corporation that may be issuable to any single Participant and his, her or its associates may not exceed 5% of the issued and outstanding securities of the Corporation;



- (d) the number of Shares of the Corporation issuable to Insiders, at any time, under all Share Compensation Arrangements, cannot exceed 15% of the issued and outstanding securities of the Corporation; and
- (e) the number of Shares of the Corporation issued to Insiders, within any one year period, under all Share Compensation Arrangements, cannot exceed 15% of the issued and outstanding securities of the Corporation.

**ARTICLE 4  
ADJUSTMENT OF AWARDS**

- 4.1 **Adjustments for Awards.** In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Shares, or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Corporation, issuance of warrants or other rights to purchase Shares or other securities of the Corporation, or other similar corporate transaction or event or otherwise affects the Shares, then the Committee shall adjust the following in a manner that is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan:
- (a) the number and type of Share Units subject to outstanding Awards;
  - (b) the grant, purchase, or exercise price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; and
  - (c) other value determinations applicable to outstanding Awards;
- provided, however, that the number of Performance Share Units or Restricted Share Units, as applicable, subject to any Award shall always be a whole number.
- 4.2 **Adjustments of Awards Upon Certain Acquisitions.** In the event the Corporation or any Affiliate shall assume outstanding employee compensation awards or the right or obligation to make such future compensation awards in connection with the acquisition of another business or another corporation or business entity, the Committee may make such adjustments, not inconsistent with the terms of the Plan, in the terms of Awards as it shall deem appropriate in order to achieve reasonable comparability or other equitable relationship between the assumed obligations and the Awards granted under the Plan as so adjusted.
- 4.3 **Adjustments of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.** The Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Corporation, any Affiliate, or the financial statements of the Corporation or any Affiliate, or of changes in Applicable Law, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.

- 4.4 **Treatment of Dividends.** Notwithstanding any provision of Section 4.1 above, dividends declared by the Corporation, if any, shall be treated as if they had been invested in purchasing additional Restricted Share Units or Performance Share Units, as applicable, which shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Shares used in calculating the Award of Share Units recorded in the Participant's account on the record date for the payment of such dividend, by (b) the Fair Market Value for the trading date immediately following the relevant dividend record date, with fractions computed to three decimal places.
- 4.5 **Dividend Share Units.** Notwithstanding Section 4.4, when dividends (other than stock dividends) are paid on Shares prior to the Exercise Date in respect of Share Units granted to a Participant who is a Non-Employee Director, Dividend RSUs will be automatically granted to each Non-Employee Director who holds Share Units on the record date for such dividends. The number of such Dividend RSUs (rounded down to the nearest whole Dividend RSU) to be credited on the Award Date shall be determined by multiplying the aggregate number of Share Units held by the Non-Employee Director on the relevant dividend record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Fair Market Value of the Shares on the dividend payment date.

## **ARTICLE 5 AWARDS**

- 5.1 **Evidence of Share Units.** Any Share Units granted under the Plan will be evidenced by an Award Agreement between the Corporation and the Participant, which agreement will contain terms and conditions consistent with the Plan and as approved by the Board.
- 5.2 **Vesting and Performance Metric.**
- (a) For RSUs, other than RSUs granted to Non-Employee Directors, unless otherwise determined by the Committee and stated in the Award Agreement, the Vesting Date shall be on the third (3<sup>rd</sup>) anniversary of the Grant Date. Vesting for RSUs is based solely on a Participant's continued employment with the Corporation or Affiliate throughout the Vesting Period.
  - (b) For RSUs granted to Non-Employee Directors in lieu of Cash Compensation, RSUs and related Dividend RSUs shall vest immediately as at each applicable Award Date. For all other RSUs and Dividend RSUs granted to Non-Employee Directors, unless otherwise determined by the Committee and stated in the Award Agreement, the Vesting Date shall be the earlier of the Corporation's next Annual General Meeting following the Grant Date of the RSUs, or the first (1<sup>st</sup>) year anniversary from the Grant Date of the RSUs.

- (c) For PSUs, unless otherwise determined by the Committee and stated in the Award Agreement, the Vesting Date shall be on the third (3<sup>rd</sup>) anniversary of the Grant Date. Each Award Agreement will describe the Performance Criteria that must be achieved for such PSUs to vest as of the end of the Vesting Period, provided the Participant is continuously employed by or in service with the Corporation or any of its Affiliates from the Grant Date until such Vesting Date. The Award Agreement may provide that the number of Shares that each PSU entitles the Participant to, being one Share, will be multiplied by a factor (the “**Performance Multiplier**”) such that each PSU will entitle the Participant to more than or less than one Share. The number of PSUs that will vest as of the end of the Vesting Period will be:
- (i) the number of PSUs allocated, subject to meeting the Performance Criteria, or
  - (ii) if a Performance Multiplier is used, the number of PSUs allocated, subject to meeting the Performance Criteria, multiplied by the Performance Multiplier.
- 5.3 **Awards may be Granted Separately or Together.** Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award or any compensation award granted under any other plan of the Corporation or of any Affiliate. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with compensation awards granted under any other plan of the Corporation or any Affiliate, may be granted either at the same time as or at a different time from the grant of such other Awards or obligations.
- 5.4 **Payment under Awards.** Except as provided in the Award Agreement or any other provision of this Plan, all of the vested Share Units covered by a particular grant and any related Share Units credited pursuant to Section 4.4 will be settled on the first Business Day following the Vesting Date for the Payment Value, but in no event later than December 31 of the third calendar year following the year in which the Grant Date in respect of the Share Units occurred. Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Corporation or an Affiliate upon the settlement of an Award may be made in such form or forms as the Committee shall determine, including, without limitation, cash, Market Shares, Shares issued from treasury other securities or other Awards, or any combination thereof, and may be made in a single payment or transfer.
- 5.5 **Payment under Awards for Non-Employee Directors.** Notwithstanding any other provision of the Award Agreement or any other provision of this Plan, no Award and no right under any such Award to Non-Employee Directors shall be settled in part or in whole by cash, Market Shares, other securities or any combination thereof. For greater certainty, no Share Units settled in favour of a Non-Employee Director may be made in any form other than Shares issued from treasury.

- 5.6 **Limits on Transfer of Awards.** Except as provided by the Committee, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution; provided, however, that, if so determined by the Committee, a Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant with respect to any Award upon the death of the Participant. Each Award, and each right under any Award, shall be exercisable, during the Participant's lifetime, only by the Participant or, if permissible under Applicable Law, by the Participant's guardian or legal representative. No Award, and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Corporation or any Affiliate.
- 5.7 **Conditions and Restrictions Upon the Share Units Subject to Awards.** The Committee may provide that any Share Units which are subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Notwithstanding the provisions of this Section 5.7 or any other provisions of the Plan, any and all Performance Share Units or Restricted Share Units, as applicable, subject to or issued under an Award other than Share Units awarded to Non-Employee Directors must be settled and paid by December 31 of the third calendar year of the year following the year in which the services giving rise to the award were rendered. In addition, all Shares issued to Persons in the United States pursuant to the Plan will be issued pursuant to the registration requirements of the United States Securities Act of 1933, as amended, or an exemption from such registration requirements.

**ARTICLE 6**  
**TERMINATION OF EMPLOYMENT; CHANGE OF CONTROL**

- 6.1 **Voluntary Resignation of the Participant.** If a Participant resigns from employment with the Corporation or with an Affiliate (other than as a result of a Change of Control Termination, Retirement, death or Disability), the Participant shall, effective on the relevant Forfeiture Date, cease to be a Participant, and the former Participant shall forfeit all rights in respect of the Participant's Awards. All such Awards shall be cancelled effective at the commencement of the relevant Forfeiture Date and no distribution shall be made to the former Participant in relation to such forfeited Awards under the Plan.
- 6.2 **Termination for Cause.** If the employment of a Participant with the Corporation or with an Affiliate is terminated for Cause (other than as a result of a Change of Control Termination), the Participant shall, effective on the relevant Forfeiture Date, cease to be a Participant, and the former Participant shall forfeit all rights in respect of the Participant's Awards. All such Awards shall be cancelled effective at the commencement of the relevant Forfeiture Date and no distribution shall be made to the former Participant in relation to such forfeited Awards under the Plan.

- 6.3 **Termination Without Cause.** If the employment of a Participant with the Corporation or with an Affiliate is terminated without Cause (other than as a result of a Change of Control Termination), any unvested Awards will vest at the end of the relevant Vesting Period based upon a ratio where the numerator is the number of months such former Participant was employed during the relevant Vesting Period (rounded down to the nearest whole number) and the denominator is the total number of months of the relevant Vesting Period. With respect to any Awards of Performance Share Units, any accelerated vesting will be determined by the Committee and may vary depending on the specific nature of the performance-based vesting condition and the proration of the unvested PSUs.
- 6.4 **Change of Control Termination.** If the employment of a Participant with the Corporation or with an Affiliate is affected by a Change of Control Termination, all unvested Awards shall vest immediately upon the Change of Control Termination and the Participant shall be entitled to the benefits of such Awards as though the Vesting Date is the date of Change of Control Termination, provided however that the Participant shall have the option of exercising his or her rights under the Awards at any later date in the calendar year in which the Change of Control Termination occurs, subject to Applicable Law. For the purposes of this paragraph, all Performance Criteria with respect to any Performance Share Units shall be deemed to have been met at target on the relevant Vesting Date.
- 6.5 **Change of Control.** The Corporation shall have the power in the event of a Change of Control to make such arrangements as it shall deem appropriate for the settlement of outstanding RSUs, including the acceleration of the Exercise Deadline in respect of RSUs granted to Non-Employee Directors who are not U.S. Participants to a date prior to or on the date of the Change of Control.
- 6.6 **Death, Disability or Retirement**
- (a) *Death.* If a Participant dies before all or a portion of such Awards have vested, any unvested Awards will vest at the end of the relevant Vesting Period based upon a ratio where the numerator is the number of months such deceased Participant was employed during the relevant Vesting Period (rounded down to the nearest whole number) and the denominator is the total number of months of the relevant Vesting Period. With respect to any Awards of Performance Share Units, the ratio specified in the previous sentence is subject to any Performance Criteria applicable to the relevant Award of Performance Share Units, and to the Committee's interpretation regarding whether these Performance Criteria have been met. The Committee will be under no obligation to perform its obligations pursuant to the provisions of this Section 6.6(a) until the Committee receives satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant.

(b) *Disability or Retirement.* If a Participant ceases to be an Eligible Employee or Service Provider of the Corporation or an Affiliate due to Retirement or Disability, any unvested Awards will vest at the end of the relevant Vesting Period based upon a ratio where the numerator is the number of months such former Participant was employed during the relevant Vesting Period (rounded down to the nearest whole number) and the denominator is the total number of months of the relevant Vesting Period. With respect to any Awards of Performance Share Units, the ratio specified in the previous sentence is subject to any Performance Criteria applicable to the relevant Award of Performance Share Units, and to the Committee's interpretation regarding whether these Performance Criteria have been met.

6.7 **Discretion with Respect to Unvested Award.** Notwithstanding any provision of this Article 6, the Committee, in its sole discretion, may approve the vesting or settlement of any unvested Awards which result from any activities described in Sections 6.1, 6.2, 6.3, 6.4, 6.5 or 6.6 above. Settlement of any Payment Value resulting from the exercise of any rights referenced in this ARTICLE 6 may be made in cash, Market Shares, Shares issued from treasury or other securities pursuant to the provisions of the applicable Award Agreement or pursuant to any other agreement, written or otherwise, as applicable.

#### ARTICLE 7 AMENDMENT AND TERMINATION OF PLAN

7.1 **Amendment and Termination of the Plan.** Except to the extent prohibited by Applicable Law and unless otherwise expressly provided in an Award Agreement or in the Plan:

- (a) *Amendments to the Plan.* The Committee may amend, alter, suspend, discontinue, or terminate the Plan, in whole or in part *provided, however*, that if shareholder approval is required by Applicable Law or by regulation or rule of the TSX or Nasdaq, no material amendment shall be made without the prior approval of the Corporation's shareholders.
- (b) *Amendments to Awards.* The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration either: (i) is required or advisable in order for the Corporation, the Plan or the Award to satisfy or conform to any Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.
- (c) No such amendment to the Plan shall cause the Plan to cease to be a plan described in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act or any successor to such provision.

**ARTICLE 8  
GENERAL PROVISIONS**

- 8.1 **No Rights to Awards.** No Eligible Employee, Service Provider, Participant or other Person shall have any claim to be granted any Award under the Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Eligible Employees, Service Providers, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- 8.2 **No Voting Rights.** Under no circumstances shall Awards of Share Units entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Corporation, nor shall any Participant be considered the owner of Shares by virtue of receiving Share Units pursuant to an Award.
- 8.3 **Withholding.**
- (a) So as to ensure that the Corporation or any Affiliate, as applicable, will be able to comply with the applicable provisions of any federal, provincial, state or other law relating to the withholding of tax or other required deductions (including on the amount, if any, includable in the income of an Eligible Employee or Service Provider) the Corporation or any Affiliate, as applicable, may withhold or cause to be withheld from any amount payable to an Eligible Employee or Service Provider under this Plan as may be necessary to permit the Corporation or any such Affiliate, as applicable, to so comply (the “**Applicable Withholding Taxes**”).
  - (b) It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant’s participation in the Plan. The Corporation shall not be held responsible for any tax consequences to a Participant as a result of the Participant’s participation in the Plan.
  - (c) Notwithstanding any other provision contained herein, a Participant shall be responsible for all Applicable Withholding Taxes resulting from his or her receipt of Share Units, Shares or other property pursuant to this Plan. For greater certainty, unless not required under the Tax Act or any other applicable law, no Share Units will be settled until:
    - (i) an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of Share Units has been received by the Corporation (or withheld by the Corporation from any other remuneration owed to the Participant);
-

- (ii) the Participant has authorized the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines, a portion of the Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (iii) the Participant has made other arrangements acceptable to the Corporation to fund the Applicable Withholding Taxes.

- 8.4 **No Limit on Other Compensation Arrangements.** Nothing contained in the Plan shall prevent the Corporation or any Affiliate from adopting or continuing in effect other or additional compensation arrangements and such arrangements may be either generally applicable or applicable only in specific cases.
- 8.5 **No Right to Employment.** The grant of an Award shall be construed as giving a Participant the right to be retained in the employ of the Corporation or any Affiliate. Further, the Corporation or an Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.
- 8.6 **Governing Law.** The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of law.
- 8.7 **Severability.** If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or under any Applicable Law, or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to such law, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Applicable Law, Person, or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.
- 8.8 **No Trust or Fund Created.** Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Corporation or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Corporation or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Corporation or any Affiliate.
- 8.9 **No Fractional Market Shares.** No fractional Market Shares shall be delivered pursuant to the Plan or any Award. Any fractional Market Shares which would otherwise be delivered pursuant to the Plan or any Award will be settled in cash.



- 8.10 **No Representations or Covenants with Respect to Tax Qualification.** Although the Corporation may endeavour to: (i) qualify an Award for favourable Canadian or foreign tax treatment or (ii) avoid adverse tax treatment, the Corporation makes no representation to that effect and expressly disavows any covenant to maintain favourable or avoid unfavourable tax treatment. The Corporation shall be unconstrained in its corporate activities without regard to the any potential negative tax affects to holders of Awards under the Plan.
- 8.11 **Awards to Foreign Employees.** The Committee shall have the power and authority to determine which Affiliates shall be covered by this Plan and which employees who are located in a country other than Canada and the United States shall be eligible to participate in the Plan. The Committee may adopt, amend or rescind rules, procedures or sub-plans relating to the operation and administration of the Plan to accommodate the specific requirements of local laws, procedures, and practices. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify: (i) rights on death, disability or retirement or on termination of employment; (ii) available methods of exercise or settlement of an award; (iii) payment of income, social insurance contributions and payroll taxes; (iv) the withholding procedures and handling of any indicia of ownership which vary with national or local requirements of foreign jurisdictions. The Committee may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations. The rules set forth in Schedule A to this Plan apply to any Participant who is a U.S. Taxpayer (as defined therein) and form a part of this Plan.
- 8.12 **Compliance with Laws.** The granting of Awards under the Plan shall be subject to: (i) all Applicable Laws, (ii) such approvals by all applicable Governmental Bodies, or (iii) such approvals by the TSX or any other applicable stock exchange on which the securities of the Corporation are listed, as may be required. The Corporation shall have no obligation to provide Awards of Share Units under the Plan prior to:
- (a) obtaining any approvals from all Governmental Bodies that the Corporation determines in its sole discretion are necessary or advisable; and
  - (b) completion of any registration or other qualification of the Share Units (if applicable) under all Applicable Laws or all of the rulings of all applicable Governmental Bodies that the Corporation determines in its sole discretion to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Corporation to obtain or maintain authority from any Governmental Body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Share Units under the Plan shall relieve the Corporation of any liability in respect of the failure to issue or sell such Share Units as to which such requisite authority shall not have been obtained.

**ARTICLE 9**  
**EFFECTIVE DATE OF THE PLAN, TERM**

- 9.1 **Effective Date of the Plan, Term.** This amended and restated Plan incorporates a prior version of this Plan (“Prior Plan”) that became effective upon approval by shareholders of the Corporation on May 29, 2019 and certain amendments to the Prior Plan approved by the Board on February 16, 2021.

**SCHEDULE A**

**PLAN PROVISIONS APPLICABLE TO U.S. TAXPAYERS**

The provisions of this Schedule A apply to Share Units held by a U.S. Taxpayer (as defined below, and which includes U.S. Participants as defined in the Plan) to the extent such Share Units are subject to U.S. Taxation. The following provisions apply, notwithstanding anything to the contrary in the Plan. All capitalized terms used in this Schedule A and not defined herein, shall have the meaning attributed to them in the Plan.

“**Change of Control**” has the meaning ascribed to it in Section 2.1(k) of the Plan, provided that such occurrence also meets the definition of “change in control event” within the meaning of Section 409A.

“**Change in Control Termination**” means, provided in each case such event occurs within eighteen (18) months following a Change of Control (as defined in this Schedule A) without the U.S. Taxpayer’s consent: (i) a termination of the employment of a U.S. Taxpayer (other than a Non-Employee Director) by the Corporation without Cause; or (ii) a U.S. Taxpayer (other than a Non-Employee Director) terminates his or her employment as a result of reasons specified in subsections (ii) through (v) of Section 2.1(l) of the Plan, provided that in each case such termination of employment constitutes a Separation from Service.

“**Section 409A**” means Section 409A of the United States Internal Revenue Code and the regulations and authority promulgated thereunder.

“**Separation from Service**” means separation from service as defined under Section 409A and applicable regulations and guidance.

“**U.S. Taxpayer**” shall mean any person who is a U.S. citizen, U.S. permanent resident, or other person who has been granted or is eligible to be granted a Share Unit under the Plan that is otherwise subject to U.S. taxation.

1. Time of Settlement of Share Units for U.S. Taxpayers Other Than Non-Employee Directors. Nothing in Section 6.3, Section 6.6, or Section 6.7 of the Plan shall result in the acceleration of payment/settlement of Awards. Awards other than Share Units awarded to Non-Employee Directors will be settled in accordance with Section 5.4 of the Plan on the first Business Day following the Vesting Date set forth in the applicable Award Agreement or determined by application of Sections 5.2(a), (b) or (c) of the Plan to the extent applicable, or if earlier, upon such U.S. Taxpayer’s Change in Control Termination (as defined in this Schedule A).

2. Time of Settlement of Share Units of Non-Employee Directors. The Board may decide that a portion of annual director fees will be paid in Share Units (the “**Non-Elective Share Units**”), and a portion will be paid in cash (the “**Cash Compensation**”), provided that the Board may permit the director to elect instead to receive some or all of their Cash Compensation in Share Units (the “**Elective Share Units**”). Share Units awarded to Non-Employee Directors will be redeemed by the Corporation on the date specified in the applicable Director Election Form for U.S. Participants, or if no such form has been executed, on the *earliest* of the Non-Employee Director’s death, Separation from Service and (i) for Non-Elective Share Units, the calendar year immediately following the year in which the Non-Elective Share Units become vested, and (ii) for Elective Share Units, the second calendar year beginning after the year in which the Elective Share Units were earned.

3. Change in Control Termination. For purposes of this Schedule A, Section 6.4 of the Plan is replaced in its entirety with the following:

**6.4 Change of Control Termination.** If a U.S. Taxpayer (as defined in Schedule A) other than a Non-Employee Director experiences a Change in Control Termination (as defined in Schedule A), all unvested Awards shall vest immediately upon such Change in Control Termination. In such case the Participant shall be entitled to the benefits of such Awards as though the Vesting Date is the date of such Change in Control Termination, and settlement of Share Units will occur as soon as administratively feasible thereafter, but in all cases by the end of the calendar year in which the Change in Control Termination occurred, or, if later, by the date that is two and one-half (2 ½) months following the date the Change in Control Termination occurred. For the purposes of this paragraph, all Performance Criteria with respect to any Performance Share Units shall be deemed to have been met at target on the relevant Vesting Date.

4. Specified Employees. Notwithstanding anything to the contrary in the Plan and this Schedule A, if a U.S. Taxpayer is entitled to settlement/payment with respect to his Share Units as a result of his Separation from Service, and if he is determined to be a "specified employee" (as determined under Section 409A, in accordance with the Corporation's policies) at the time of the Separation from Service, then settlement of the Award shall not occur until the date that is six (6) months following his or her Separation from Service.

5. For the avoidance of doubt, where settlement with respect to Share Units is to occur upon a specified date (such as the Vesting Date) or upon the U.S. Taxpayer's Separation from Service, settlement will be considered timely for purposes of Section 409A if it is made no later than December 31<sup>st</sup> of the calendar year in which such specified date or Separation from Service occurs, or, if later, the date that is two and one-half (2 ½) months following the specified date or date of Separation from Service. Where settlement/payment is to occur upon the death of the U.S. Taxpayer, settlement payment will be considered as timely for purposes of Section 409A if it is made no later than December 31<sup>st</sup> of the year following the year in which the death occurs or within the period otherwise permitted under Section 409A.

6. Notwithstanding Sections 5.6 and 6.6 of the Plan, the exercise of the Committee's discretion will not result in a change in the time of settlement/payment of an Award. No provision of the Plan or amendment to the Plan may permit the acceleration or deferral of payments under the Plan to U.S. Taxpayers contrary to the provisions of Section 409A.

7. In the event of a termination of the Plan, no payments to U.S. Taxpayers shall be made, except on the schedule permitted by Section 409A.

8. All provisions of the Plan shall continue to apply to the U.S. Taxpayer to the extent they have not been specifically modified by this Schedule "A". In regard to a U.S. Taxpayer, the Committee shall interpret all Plan provisions in a manner that does not cause a violation of Section 409A. Notwithstanding the foregoing, neither the Corporation nor any of its employees or directors make any representation as to the tax treatment of Share Units awarded under the Plan, including compliance with Section 409A. U.S. Taxpayers remain solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on such U.S. Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A).

**SCHEDULE B**

**TITAN MEDICAL INC. SHARE UNIT PLAN  
(the "Plan")**

**DIRECTOR ELECTION FORM FOR NON-U.S. PARTICIPANTS**

**1. Election Regarding Restricted Share Units**

I hereby elect to receive Restricted Share Units under the Plan in respect of my Cash Compensation to be paid to me as follows:

\_\_\_\_\_ \$ of my Cash Compensation is to be credited to me in the form of Restricted Share Units.

- OR -

\_\_\_\_\_% of my Cash Compensation is to be credited to me in the form of Restricted Share Units.

- OR -

I hereby elect NOT to receive Restricted Share Units under the Plan in respect of my Cash Compensation.

**I understand that:**

- (a) All capitalized terms shall have the meanings attributed to them under the Plan.
- (b) This Election Form, once submitted is irrevocable.
- (c) This Election Form will apply to all Cash Compensation earned after December 31, 2020 unless a new election form with respect to Restricted Share Units awarded under the Plan is completed and returned to the Corporation prior to the respective Cash Compensation becoming due.

\_\_\_\_\_  
Eligible Director Signature

\_\_\_\_\_  
Eligible Director Name (please  
print)

\_\_\_\_\_  
Date

SCHEDULE C

TITAN MEDICAL INC.  
SHARE UNIT PLAN

DIRECTOR ELECTION FORM FOR U.S. PARTICIPANTS

The Board of Directors (the “**Board**”) of Titan Medical, Inc. (“**Titan**”) has resolved (i) to amend the Titan Medical Inc. Share Unit Plan (the “**Plan**”), to permit the award of Share Units to members of the Board, including non-employee directors; (ii) to pay a portion of annual director fees in Share Units (the “**Non-Elective Share Units**”), and a portion in cash (the “**Cash Compensation**”); and (iii) permit directors to elect instead to receive some or all of their Cash Compensation in Share Units (the “**Elective Share Units**”). In addition, directors may be permitted to elect the year of settlement of Share Units awarded to them, provided such election is made in accordance with the requirements of Section 409A of the U.S Internal Revenue Code of 1986, as amended (the “**Code**”), including the required timing of such an election.

**I. Election For Restricted Share Units in Lieu of Cash Compensation**

I hereby elect to receive Restricted Share Units under the Plan in respect of my Cash Compensation to be paid to me as follows:

\_\_\_\_\_ \$ of my Cash Compensation is to be credited to me in the form of Restricted Share Units.

- OR -

\_\_\_\_\_ % of my Cash Compensation is to be credited to me in the form of Restricted Share Units.

- OR -

I hereby elect NOT to receive Restricted Share Units under the Plan in respect of my Cash Compensation.

**I understand that this election is irrevocable with respect to Cash Compensation earned in 2021.** Further, this election will apply to all Cash Compensation earned after December 31, 2020 unless a new election form with respect to Share Units awarded in 2022 or later years is completed and return to Titan on or before December 31<sup>st</sup> of the year prior to the calendar year in which the services giving rise to the Cash Compensation that is the subject of the new election are performed.

**II. Settlement/Payment Date Election**

- A. **General Rule Absent an Election:** Unless I specify in Section II.B. below a designated calendar year, the RSUs attributable to Elective Share Units and Non-Elective Share Units awarded to me in 2021 and thereafter will be settled/paid on *the earliest of* my death, my separation from service and (i) for Non-Elective Share Units, the calendar year immediately following the year in which the Non-Elective Share Units become vested, and (ii) for Elective Share Units, the second calendar year beginning after the year in which the Elective Share Units were earned.
- B. **Settlement/Payment Year Election.** Instead of the general rule above, I elect to have the Share Units awarded to me in 2021 and thereafter settled/paid on the earliest of: my death, my separation from service and the calendar year selected below (check only one below):

- the first calendar year beginning after the year in which the Share Units are, or become, vested; or
- the second calendar year beginning after the year in which the Share Units are, or become, vested; or
- the third calendar year beginning after the year in which the Share Units are, or become, vested; or
- the fourth calendar year beginning after the year in which the Share Units are, or become, vested.

**I understand that this election is irrevocable with respect to RSUs awarded in 2021.** Further, this election will apply to all RSUs awarded after December 31, 2020 unless a new election form with respect to Share Units awarded in 2022 or later years is completed and returned to Titan on or before December 31<sup>st</sup> of the year prior to the calendar year in which the services giving rise to the Share Units that are the subject of the new election are performed.

**I confirm and acknowledge that this Director Election Form must be received by Titan no later than December 31, 2020.**

I have received and reviewed a copy of the Plan and agree to be bound its terms. As a U.S. Participant, my Share Units shall be governed by this Election and the Plan, including Schedule A thereto which contains terms and conditions intended to cause Share Units awarded to me to comply with Internal Revenue Code Section 409A. I understand that Schedule A is part of the Plan, and references to the Plan shall include Schedule A.

*[Signature Page Follows]*



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Eligible Director Signature

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Eligible Director Name (please  
print)

---

Date

**SCHEDULE D**  
**TITAN MEDICAL INC.**  
**SHARE UNIT PLAN**

**NOTICE OF EXERCISE FOR DIRECTORS**

Capitalized terms shall have the meanings attributed to them under the Titan Medical Inc. Share Unit Plan (the "**Plan**").

I, \_\_\_\_\_, hereby elect to exercise Share Units credited to my account as of the Exercise Date (designated by me below), subject to any arrangements that I must make to satisfy all Applicable Withholding Taxes.

\_\_\_\_\_  
Eligible Director Name (please print)

\_\_\_\_\_  
Date of Election

\_\_\_\_\_  
Eligible Director Signature

\_\_\_\_\_  
Designated Exercise Date

I have read and I understand the terms of the Plan. I particularly understand that:

1. The Exercise Date cannot be later than the Exercise Deadline.
2. This election cannot be made by a U.S. Participant.

TITAN MEDICAL INC.  
DEFERRED SHARE UNIT PLAN  
ARTICLE 1 INTRODUCTION

**1.1 Purpose**

The purpose of this Deferred Share Unit Plan is to provide directors of Titan Medical Inc. (the “**Corporation**”) with the opportunity to acquire Deferred Share Units (as defined herein) of the Corporation in order to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Corporation’s shareholders.

ARTICLE 2 INTERPRETATION

**2.1 Definitions**

For purposes of the Plan:

- (a) “**Account**” means an account maintained by the Corporation for each Participant and which will be credited by means of a book-keeping entry with DSUs that are granted in accordance with the terms of this Plan and the DSU Agreements;
  - (b) “**Applicable Withholding Amounts**” is defined in Section 4.7(a) of the Plan;
  - (c) “**Black Out Period**” means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any Participant that holds a DSU;
  - (d) “**Board**” means the Board of Directors of the Corporation as may be constituted from time to time;
  - (e) “**Cash Payment**” is defined in Section 4.7(a) of the Plan;
  - (f) “**Committee**” means the Compensation Committee of the Board or such other committee of the Board as may be appointed by the Board to administer the Plan, provided, however, that if no such committee is in existence at any particular time and the Board has not appointed another committee of the Board to administer the Plan, all references in the Plan to “Committee” shall at such time be in reference to the Board;
  - (g) “**Corporation**” means Titan Medical Inc. and includes any successor corporation;
  - (h) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 4;
  - (i) “**Distribution Date**” is defined in Section 4.6 of the Plan;
  - (j) “**Distribution Value**” means, with respect to each Deferred Share Unit credited to a Participant’s Account, the Fair Market Value per Share;
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- (k) **“Dividend Equivalents”** means a bookkeeping entry whereby each Deferred Share Unit is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.3;
- (l) **“Dividend Market Value”** means the Fair Market Value per Share on the dividend record date;
- (m) **“DSU Agreement”** is defined in Section 5.11 of the Plan;
- (n) **“Eligible Director”** means an individual who is, at the relevant time, a member of the Board;
- (o) **“Exchange”** means the TSX or Nasdaq or, if the Shares are not then listed and posted for trading on the TSX or Nasdaq, such stock exchange on which such Shares are listed and posted for trading and on which the majority of the trading volume and value of such Shares occurs;
- (p) **“Fair Market Value”** with respect to a Share, as at any date, means the weighted average of the prices at which the Shares traded on the TSX (or, if the Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Shares occurs) for the five (5) trading days on which the Shares traded on the said exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (q) **“Insider”** has the meaning ascribed thereto in Part I of the TSX Company Manual, as amended from time to time;
- (r) **“Nasdaq”** means the NASDAQ Stock Market LLC;
- (s) **“Participant”** means an Eligible Director who is granted DSU’s in accordance with Section 4.1 hereof;
- (t) **“Payment Shares”** is defined in Section 4.8 of the Plan;
- (u) **“Person”** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (v) **“Plan”** means this Deferred Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;
- (w) **“Security Based Compensation Arrangement”** has the meaning ascribed thereto in Part VI of the TSX Company Manual, as amended from time to time;

- (x) “**Separation Date**” means the earliest date on which the Participant is no longer a member of the Board of the Corporation nor is otherwise employed by the Corporation or any of its Subsidiaries in any fashion;
- (y) “**Share**” means a common share of the Corporation or, in the event of an adjustment contemplated by Section 4.10, such other number or type of securities as the Committee may determine;
- (z) “**Subsidiary**” has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (aa) “**TSX**” means the Toronto Stock Exchange; and
- (bb) “**TSX Company Manual**” means the Toronto Stock Exchange Company Manual, as amended from time to time.

## 2.2 Interpretation

- (a) Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to this document as a whole and not to any particular Article, Section, paragraph or other part hereof.
- (b) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
- (c) Unless otherwise specified, all references to money amounts are to Canadian currency.

## ARTICLE 3 ADMINISTRATION OF THE PLAN

### 3.1 Administration of the Plan

- (a) Except for matters that are under the jurisdiction of the Board as specified under the Plan or as required by law and subject to Sections 3.1(b), this Plan will be administered by the Committee and the Committee has sole and complete authority, in its discretion, to:
  - (i) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
  - (ii) adopt, amend, suspend and rescind such rules and regulations for administration of this Plan as the Board may deem necessary in order to comply with the requirements of this Plan, in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto, or in order to ensure that the plan qualifies and remains qualified as a “prescribed plan or arrangement” for the purposes of the definition of “salary deferral arrangement” in the *Income Tax Act* (Canada);
  - (iii) exercise rights reserved to the Corporation under the Plan;

- (iv) take any and all actions permitted by this Plan;
- (v) prescribe forms for notices to be prescribed by the Corporation under the Plan; and
- (vi) make any other determinations and take such other action in connection with the administration of this Plan that it deems necessary or advisable.

provided that the Committee shall not exercise its authority in a manner that would cause the Plan to cease to qualify as a “prescribed plan or arrangement” for the purposes of the definition of “salary deferral arrangement” in the *Income Tax Act* (Canada). The Committee’s determinations and actions under this Plan are final, conclusive and binding on the Corporation, the Participants and all other Persons.

- (b) To the extent permitted by applicable law, the Committee may, from time to time, delegate to any specified officer of the Corporation all or any of the powers of the Committee. In such event, the specified officer will exercise the powers delegated to it by the Committee in the manner and on the terms authorized by the Committee. Any decision made or action taken by the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Corporation, the Participants and all other Persons.

### **3.2 Determination of Value if Shares Not Publicly Traded**

If the Shares are not publicly traded on the Exchange at the relevant time such that the Distribution Value and/or the Dividend Market Value cannot be determined in accordance with the definitions of those terms, such values shall be determined by the Committee acting in good faith, or in the absence of the Committee, by the Board acting in good faith.

### **3.3 Eligibility**

Any individual who at the relevant time is an Eligible Director is eligible to participate in the Plan. Eligibility to participate does not confer upon any individual a right to receive an award of Deferred Share Units pursuant to the Plan.

### **3.4 Exemption from Plan Participation**

Notwithstanding any other provision of the Plan, if a Participant is resident in a jurisdiction in which an award of Deferred Share Units under the Plan might be considered to be income which is subject to taxation at the time of such award, the Participant may elect not to participate in the Plan by providing a written notice to the Chief Financial Officer of the Corporation.

### **3.5 Discretionary Relief**

Notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

## ARTICLE 4 DEFERRED SHARE UNITS

### 4.1 Grant of Deferred Share Units

- (a) The Committee may, from time to time in its sole discretion, grant DSUs to Eligible Directors and upon such grant, such Eligible Directors shall become Participants in this Plan. In respect of each grant of DSUs, the Committee shall determine:
  - (i) the number of DSUs allocated to the Participant; and
  - (ii) such other terms and conditions of the DSUs applicable to each grant.
- (b) The Corporation shall not make any grant of DSU's pursuant to the Plan unless and until such grant or issuance and delivery can be completed in compliance with all applicable laws, including requirements set out in the *Income Tax Regulations* (Canada) for the Plan to qualify as a "prescribed plan or arrangement" for the purposes of the definition of "salary deferral arrangement" in the *Income Tax Act* (Canada), and all other regulations, rules, orders of governmental or regulatory authorities and the requirements of all applicable stock exchanges upon which Shares are listed. The Corporation shall be obligated to take all reasonable action to comply with any such laws, regulations, rules, orders or requirements.
- (c) Certificates will not be issued to evidence DSUs. Book entry accounts, to be known as the **Deferred Share Unit Account**" shall be maintained by the Corporation for each Participant and will be credited with DSUs granted to a Participant from time to time.
- (d) The term during which a DSU may be outstanding shall, subject to the provisions of this Plan requiring or permitting the acceleration or the extension of the term, be such period as may be determined from time to time by the Board or the Committee, but subject to the rules of any stock exchange or other regulatory body having jurisdiction.

### 4.2 Vesting

Deferred Share Units will be fully vested upon being granted and credited to a Participant's Account.

### 4.3 Credits for Dividends

A Participant's Account shall be credited with Dividend Equivalents in the form of additional Deferred Share Units as of each dividend payment date in respect of which normal cash dividends are paid on the Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Deferred Share Units recorded in the Participant's Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places. The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

### 4.4 Limits on Issuances

Notwithstanding any other provision of this Plan:

- (a) the maximum number of Shares issuable pursuant to outstanding DSUs at any time shall be limited to 5% of the aggregate number of issued and outstanding Shares, provided that the maximum number of Shares issuable pursuant to outstanding DSUs and all other Security Based Compensation Arrangements, shall not exceed 15% of the Shares outstanding from time to time;
- (b) the number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 15% of the issued and outstanding Shares; and
- (c) the number of Shares issued to Insiders, within any one-year period, under all Security Based Compensation Arrangements, shall not exceed 15% of the issued and outstanding Shares.

For the purposes of this Section 4.4, any increase in the issued and outstanding Shares (whether as a result of the issue of Shares pursuant to DSUs or otherwise) will result in an increase in the number of Shares that may be issued pursuant to DSUs outstanding at any time. Further, if the acquisition of Shares by the Corporation for cancellation should result in the foregoing tests no longer being met, this shall not constitute non-compliance with this Section 4.4 for any awards outstanding prior to such purchase of Shares for cancellation.

DSUs that are cancelled, terminated or expire shall result in the Shares that were reserved for issuance thereunder being available for a subsequent grant of DSUs pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, terminated or expired DSUs.

Upon Cash Payment being made or Payment Shares being issued in settlement of DSUs, the number of Shares reserved for issuance in respect of such DSUs automatically become available to be made the subject of new DSUs, provided that the total number of Shares reserved for issuance under the Plan and all other Security Based Compensation Arrangements does not exceed 15% of the issued and outstanding Shares of the Corporation.

#### **4.5 Reporting of Deferred Share Units**

Statements of the Deferred Share Unit Accounts will be provided to Participants on an annual basis.

#### **4.6 Distribution Date Election**

A Participant shall have the right to receive Payment Shares or, upon the joint election of the Corporation and the Participant, Cash Payment or a combination of Cash Payment and Payment Shares in respect of Deferred Share Units recorded in the Participant's Account in accordance with Sections 4.7 or 4.8, on one of the following dates (the "**Distribution Date**"):

- (a) on a date to be determined by the Corporation no later than 90 days following the Separation Date; or
- (b) such later date as the Participant may elect by written notice delivered to the Chief Financial Officer of the Corporation prior to the Separation Date, provided that in no event shall a Participant be permitted to elect a date which is later than December 1<sup>st</sup> of the calendar year following the calendar year in which the Separation Date occurs.



#### 4.7 Distribution of Deferred Share Units as Cash Payment

In the event the Corporation and the Participant jointly elect to settle Deferred Share Units by way of a Cash Payment:

- (a) subject to and in accordance with Section 4.7(b), a Participant shall receive a payment equal in value to the number of Deferred Share Units recorded in the Participant's Account on the Distribution Date that the Corporation and the Participant jointly elect to settle by way of payment in cash multiplied by the Distribution Value of a Share on the Distribution Date (the "**Cash Payment**"). The Corporation is authorized to deduct from the Cash Payment an amount equivalent to the minimum amount of taxes and other minimum amounts as the Corporation may be required by law to withhold, as the Corporation determines (the "**Applicable Withholding Amounts**"). Upon payment in full of the value of the Deferred Share Units, less the Applicable Withholding Amounts, the Deferred Share Units shall be cancelled, and no further payments shall be made to the Participant under the Plan; and
- (b) the Cash Payment less any Applicable Withholding Amounts, will be paid to the Participant in cash within ten (10) business days after the Distribution Date, or in the event of the Participant's death, his beneficiary or legal representative in accordance with Section 4.9 herein.

#### 4.8 Distribution of Deferred Share Units in Payment Shares

Subject to Section 4.7, Deferred Share Units shall be settled by the issuance of Payment Shares as follows:

- (a) The Corporation shall within 10 business days after the Distribution Date issue to the Participant a number of treasury Shares equal to the number of Deferred Share Units in the Participant's Account that became payable on the Distribution Date (the "**Payment Shares**").
- (b) Subject to Section 4.12 of this Plan, as a condition to the issue of treasury Shares in settlement of any Deferred Share Units, the Corporation may require the Participant to first pay to the Corporation, or the Corporation may deduct, an amount equivalent to the Applicable Withholding Amounts or the Corporation may take such other steps as it considers to be necessary or appropriate, including the sale of Payment Shares on behalf of the Participant, in order to provide to the Corporation the Applicable Withholding Amounts. The Corporation shall advise the Participant in writing of any Applicable Withholding Amounts required in connection with the issue of Shares in settlement of Deferred Share Units.
- (c) The Corporation shall not be required to issue or cause to be delivered treasury Shares or issue or cause to be delivered certificates evidencing Shares to be delivered in settlement of any DSUs, unless and until such issuance and delivery can be completed in compliance with the applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of all applicable stock exchanges upon which Shares are listed. The Corporation shall be obligated to take all reasonable action, on a timely basis, to comply with any such laws, regulations, rules, orders, or requirements.

- (d) If Shares may not be issued pursuant to any DSUs due to any Black Out Period, such Share issuance shall occur seven business days following the end of the Black-Out Period (or such longer period as permitted by applicable regulatory authorities and approved by the Committee).
- (e) No fractional Shares shall be issued upon the settlement of DSUs. If a Participant would otherwise become entitled to a fractional Share upon the settlement of a DSU, such Participant shall only have the right to receive the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (f) All Payment Shares issued to Persons in the United States pursuant to the Plan will be issued pursuant to the registration requirements of the United States Securities Act of 1933, as amended, or an exemption from such registration requirements.

#### **4.9 Death of Participant Prior to Distribution**

Upon the death of a Participant prior to the distribution of the Deferred Share Units credited to the Account of such Participant under the Plan, Payment Shares or, upon the joint election of the Corporation and the executor or administrator of the Participant's estate, Cash Payment or a combination of Cash Payment and Payment Shares shall be issued or paid to the estate of such Participant on or about the thirtieth (30th) day after the Corporation is notified of the death of the Participant or on a later date elected by the Participant's estate in the form prescribed for such purposes by the Corporation and delivered to the Chief Financial Officer of the Corporation not later than twenty (20) days after the Corporation is notified of the death of the Participant, provided that such elected date is no later than the last business day of the calendar year following the calendar year in which the Participant dies so that payment can be made on or before such last business day. Any Cash Payment shall be equivalent to the amount which would have been paid to the Participant pursuant to and subject to Section 4.7, calculated on the basis that the day on which the Participant dies, or the date elected by the estate, as applicable, is the Distribution Date. Upon settlement under this Section 4.9 of the Deferred Share Units credited to the Account of a Participant, subject to any Applicable Withholding Amounts, the Deferred Share Units shall be cancelled, and no further distributions or payments will be made from the Plan in relation to the Participant.

#### **4.10 Adjustments to Deferred Share Units**

In the event: (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or (b) that any rights are granted to all or substantially all shareholders to purchase Shares at prices substantially below Fair Market Value as of the date of grant (other than the payment of dividends in respect of the Shares as contemplated by Section 4.3); or (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Shares are converted into or exchangeable for any other securities or property, then the Board may make such adjustments to this Plan, the Account of each Participant, the DSU Agreements and the Deferred Share Units outstanding under this Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to Participants hereunder and/or to provide for the Participants to receive and accept such other securities or property in lieu of Shares, and the Participants shall be bound by any such determination.

#### **4.11 U.S. Taxpayers**

The rules set forth in Schedule A to this Plan apply to any Participant who is a U.S. Taxpayer (as defined therein) and form a part of this Plan.

#### 4.12 Taxes

- (a) A Participant shall be solely responsible for reporting and paying income tax payable in respect of any Cash Payment or Shares received by the Participant under this Plan. The Corporation will provide each Participant who is resident in Canada with (or cause each Participant to be provided with) a T4 slip or such information return as may be required by applicable law to report income, if any, arising upon the grant or exercise of rights under this Plan by a Participant who is resident in Canada for income tax purposes.
- (b) Further to Section 4.8(b) of this Plan, the Corporation shall have the power and the right to deduct or withhold, or require (as a condition of exercise) a Participant to remit to the Corporation, the Applicable Withholding Amounts to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law to be withheld with respect to any taxable event arising as a result of this Plan, including the grant or exercise of Deferred Share Units granted under this Plan. With respect to Applicable Withholding Amounts, the Corporation shall have the irrevocable right to (and the Participant consents to the Corporation) setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to such Participant (whether arising pursuant to the Participant relationship as an officer or employee of the Corporation or as a result of the Participant providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements as are satisfactory to the Participant and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the Applicable Withholding Amounts, in whole or in part, by withholding such number of Payment Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Applicable Withholding Amounts net of selling costs (which costs shall be the responsibility of the Participant and which shall be and are authorized to be deducted from the proceeds of sale). The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Payment Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Payment Shares. Any reference in this Plan to the issuance of Payment Shares or a payment of cash is expressly subject to this paragraph 4.12(b).

### ARTICLE 5 GENERAL

#### 5.1 Amendment, Suspension, or Termination of Plan

- (a) The Board may amend, suspend or discontinue this Plan or amend any DSU or DSU Agreement at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair the rights of any Participant in respect of any DSU previously granted to such Participant under the Plan, except as otherwise permitted hereunder. In addition, the Board may, by resolution, amend this Plan and any DSU granted under it (together with any related DSU Agreement) without shareholder approval, provided however, that at any time while the Shares are listed for trading on the TSX, the Board will not be entitled to amend this Plan or any DSU granted under it (together with any related DSU Agreement) without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Shares issuable pursuant to this Plan; (ii) to permit the assignment or transfer of a DSU other than as provided for in this Plan; (iii) to add to the categories of persons eligible to participate in this Plan; (iv) to remove or amend Section 4.4(b) or Section 4.4(c); (v) to remove or amend this Section 5.1(a); or (vi) in any other circumstances where TSX and shareholder approval is required by the TSX.

- (b) Without limitation of Section 5.1(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to this Plan, and may make such determinations as it deems necessary or desirable for the administration of this Plan.
- (c) If the Board terminates or suspends the Plan, previously credited DSUs will remain outstanding and in effect in accordance with the terms of the Plan. If DSUs remain outstanding after Plan termination or suspension, such DSUs shall not be entitled to Dividend Equivalents unless at the time of termination or suspension the Committee determines that the entitlement to Dividend Equivalents after termination or during suspension, as applicable, should be continued. Subject to the foregoing sentence, if the Board terminates or suspends the Plan, no new Deferred Share Units will be credited to the Account of a Participant.
- (d) The Board shall not require the consent of any affected Participant in connection with a termination of the Plan in which Payment Shares are issued to the Participant in respect of all such Deferred Share Units.

## **5.2 Compliance with Laws**

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any applicable regulations of a duly constituted regulatory authority. Should the Committee, in its sole discretion, determine that it is not feasible or desirable to carry out a distribution of Deferred Share Units due to such laws or regulations, its obligation shall be satisfied by means of an equivalent cash payment (equivalence being determined on a before-tax basis). If the Committee determines that the listing, registration or qualification of the Shares subject to this Plan upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body or stock exchange is necessary or desirable, as a condition of, or in connection with, the crediting of DSUs or the issue of Payment Shares hereunder, the Corporation shall be under no obligation to credit DSUs or issue Payment Shares hereunder unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

## **5.3 Reorganization of the Corporation**

The existence of any Deferred Share Units 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 to create or issue any bonds, debentures, shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving 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.

## **5.4 Assignment**

Rights and obligations under the Plan may be assigned by the Corporation to a successor in the business of the Corporation, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Corporation, or any company acquiring all or substantially all of the assets or business of the Corporation.

#### **5.5 DSUs Non-Transferable**

Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

#### **5.6 Participation is Voluntary; No Additional Rights**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or service nor a commitment on the part of the Corporation to ensure the continued employment or service of such Participant. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or continue participation in this Plan or to compensation or damages in lieu of participation, whether upon termination of service as an Eligible Director or otherwise. The Corporation does not assume responsibility for the personal income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

#### **5.7 No Shareholder Rights**

Under no circumstances shall Deferred Share Units be considered Shares or other securities of the Corporation, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Corporation, nor shall any Participant be considered the owner of Shares by virtue of the award of Deferred Share Units.

#### **5.8 Unfunded and Unsecured Plan**

Unless otherwise determined by the Board, the Plan shall be unfunded and the Corporation will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

#### **5.9 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation makes no representations or warranties to Participants with respect to the Plan or the Shares whatsoever. In seeking the benefits of participation a Participant agrees to accept all risks associated with a decline in the market price of Shares.

#### **5.10 Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to the Board and other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

**5.11 DSU Agreement**

To acquire DSUs, a Participant shall enter into an agreement with the Corporation in such form as determined by the Board from time to time (the **DSU Agreement**"), within such time period and in such manner as specified by the Board. If a DSU Agreement is not entered into within the time and manner specified, the Corporation reserves the right to revoke the crediting of DSUs to the Participant's Account.

**5.12 Currency**

All amounts paid or values to be determined under this Plan shall be in Canadian dollars unless stated otherwise.

**5.13 Governing Law**

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

**5.14 Effective Date of the Plan**

This Plan was approved by the Board on April 29, 2019 and became effective upon approval by shareholders of the Corporation on May 29, 2019.

**SCHEDULE A**

**PLAN PROVISIONS APPLICABLE TO U.S. TAXPAYERS**

The provisions of this Schedule "A" apply to Deferred Share Units held by a U.S. Taxpayer to the extent such Deferred Share Units are subject to U.S. Taxation. The following provisions apply, notwithstanding anything to the contrary in the Plan. All capitalized terms used in this Schedule "A" and not defined herein, shall have the meaning attributed to them in the Plan.

"**Section 409A**" means Section 409A of the United States Internal Revenue Code and the regulations and authority promulgated thereunder.

"**Separation Date**" shall mean the date on which the Participant incurs a "separation from service" within the meaning of Section 409A.

"**U.S. Taxpayer**" shall mean any person who is a U.S. citizen, U.S. permanent resident, or other person who has been granted or is eligible to be granted a Deferred Share Unit under the Plan that is otherwise subject to U.S. taxation.

1. Notwithstanding Section 3.4 of the Plan, each election by a U.S. Taxpayer not to participate in the Plan or to decline participation for a particular year, must be irrevocably made not later than the end of the calendar year prior to the year for which the Deferred Share Units are granted. Notwithstanding the prior sentence, for U.S. Taxpayers who become Eligible Directors for the first time in any calendar year, an election pursuant to Section 3.4 may be made at any time within 30 days after an initial grant of DSUs is made to such Eligible Director. Such election shall only be effective with respect to DSU grants made after the written notice described in Section 3.4 has been received by the Chief Financial Officer of the Corporation.
2. Notwithstanding Section 4.6 of the Plan, the following procedure shall be used to determine a Distribution Date for Deferred Share Units that are subject to this Schedule A.
  - (a) An Eligible Director who is a U.S. Taxpayer shall have the right to elect, at his or her option, to receive the distribution of all amounts credited to his or her Deferred Share Unit Account on any date (the "**Distribution Date**") within the period commencing on his or her Separation Date, and ending on December 1, of the first calendar year following the year in which the Separation Date occurs. Such election shall be made by written notice delivered to the Chief Financial Officer of the Corporation not later than the end of the calendar year prior to the year for which the Deferred Share Units are granted. If no election is made, the Distribution Date shall be the Separation Date, subject to clause (b) below.
  - (b) Notwithstanding the foregoing, if any U.S. Taxpayer is determined to be a "specified employee" (as determined under Section 409A, in accordance with the Corporation's policies) at the Separation Date, then the Distribution Date shall not be earlier than the date that is six (6) months following his or her Separation Date.
3. Notwithstanding Section 4.8(d) of the Plan (and except as required pursuant to Section 2(b) of this Schedule A), the issuance of Shares shall not be delayed beyond the end of the year in which the Distribution Date occurs, or, if later, the date that is 2 ½ months after the Distribution Date, unless the Committee reasonably anticipates that the issuance of Shares would violate federal securities laws of other applicable laws, in which case Shares will be issued at the earliest date at which the Committee reasonably anticipates that issuance of Shares would not cause such violation.

4. Notwithstanding Section 4.9 of the Plan or any election by the Participant of a Distribution Date, upon the death of a Participant prior to the distribution of his or her Deferred Share Unit Account, an issuance of Payment Shares or, upon the joint election of the Corporation and the executor or administrator of the Participant's estate, a Cash Payment or a combination of Cash Payment and Payment Shares shall be issued or paid to the estate of such Participant on the first business day that occurs following 90 days after the Participant's date of death and such date will be the Distribution Date. No election of an alternative payment date by the estate or beneficiary shall be permitted.
5. Notwithstanding anything to the contrary in the Plan, no consent to an amendment, suspension or termination that adversely affects the Deferred Share Units previously granted to a U.S. Taxpayer under Section 409A shall be required if such amendments are considered by the Committee, on the advice of counsel, to be necessary or desirable in order to avoid adverse U.S. tax consequences to the U.S. Taxpayer.

No provision of the Plan or amendment to the Plan may permit the acceleration of payments under the Plan to U.S. Taxpayers contrary to the provisions of Section 409A.

In the event of a termination of the Plan, no payments to U.S. Taxpayers shall be made, except on the schedule permitted by Section 409A.

All provisions of the Plan shall continue to apply to the U.S. Taxpayer to the extent they have not been specifically modified by this Schedule "A". In regard to a U.S. Taxpayer, the Committee shall interpret all Plan provisions in a manner that does not cause a violation of Section 409A.

6. Restrictions on Deferred Share Units of Certain Dual Taxpayers. Notwithstanding anything in the Plan to the contrary, if the Deferred Share Units of a U.S. Taxpayer are subject to tax under both the income tax laws of Canada and the income tax laws of the United States, the following special rules regarding forfeiture will apply. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Section 409A and/or under paragraph 6801(d) of the regulations under the Income Tax Act (Canada) (the "ITA"), that may result because of the different requirements as to the time of redemption of Deferred Share Units (and thus the time of taxation) with respect to a U.S. Taxpayer's "Separation from Service" under Section 409A and the U.S. Taxpayer's Separation Date (under Canadian tax law). The intended consequence of this Section 6 of this Schedule A is that payments to such U.S. Taxpayer in respect of Deferred Share Units will only occur if such U.S. Taxpayer experiences both a Separation from Service under Code Section 409A and a termination or loss of office within the meaning of paragraph 6801(d) of the regulations under the ITA. If such a U.S. Taxpayer does not experience both a Separation from Service and a termination or loss of office within the meaning of paragraph 6801(d) of the ITA, such Deferred Share Units shall instead be immediately and irrevocably forfeited, including, but not limited to, the following situations:
  - (a) a U.S. Taxpayer experiences a Separation from Service as a result of ceasing to be a member of the Board of the Corporation (and any related entity that is considered the same service recipient under Code Section 409A), but such U.S. Taxpayer continues providing services as an employee of the Corporation or a corporation related to the Corporation within the meaning of the ITA such that no Separation Date has occurred; and



- (b) an Eligible Director who is a U.S. Taxpayer experiences a termination or loss of office for any reason such that a Separation Date occurs, but continues to provide services to the Corporation (or any related entity that is considered the same service recipient under Code Section 409A) as an independent contractor such that he has not experienced a Separation from Service.