



LASSONDE INDUSTRIES INC. SENIOR MANAGEMENT LONG-TERM INCENTIVE PLAN

EFFECTIVE JULY 1, 2020
Amended on March 25 and August 12, 2022

Certified true copy

Signature of authorized officer



PURPOSE

The purpose of this Lassonde Industries Inc. Senior Management Long-Term Incentive Plan (the “**Plan**”) is to attract, retain and reward individuals who will be expected to significantly contribute to the success of Lassonde Industries Inc, incite them to achieve the best possible results, strengthen the interests they have in common with the shareholders of the Corporation and, more generally, promote the success of the Corporation’s business.

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Article 1 – Definitions

In this Plan, the following terms shall have the meanings given below:

“Applicable Law” means the applicable laws and regulations as well as the requirements or policies of any governmental or regulatory authority.

“Authorized Leave” means any period during which, with the prior written approval of the Corporation or due to Disability, the Participant is considered to be on Authorized Leave or on Disability and does not provide any services to the Corporation.

“Award” means a Share Appreciation Right or a Restricted Share Unit, both paid for in cash as provided for herein. Unless otherwise indicated in the Award Agreement, all references to a vested Award, the vesting of an Award or other similar expression means that the applicable timeframe has elapsed or that the applicable conditions have been met for the Award to be finalized.

“Award Agreement” means the agreement (in paper or electronic format) or other instrument or document attesting that an Award has been granted under the Plan, which agreement may (but need not) be signed or acknowledged by a Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

“Beneficiary” means one or several individuals entitled to receive payments under the Plan in the event of a Participant’s death. If no one is designated by the said Participant, the Beneficiary shall be the estate of the Participant.

“Blackout Period” means, in respect of any person, the period during which, pursuant to the Corporation’s policies or decisions, the securities of the Corporation cannot be traded by that person, including any period during which that person is privy to undisclosed material information concerning the Corporation, but excluding any period during which a regulatory agency halted trading of the Corporation’s securities.

“Board” means the Board of Directors of the Corporation.

“Change of Control” means, unless otherwise indicated in the Participant’s employment or services agreement or in the Participant’s Award Agreement, any one of the following:

- (i) the liquidation, dissolution or winding-up of the Corporation (with the exception of a distribution of assets to one or several corporations which, prior to the said liquidation, dissolution or winding up, were wholly-owned subsidiaries of the Corporation);
- (ii) the sale or transfer of all or substantially all of the Corporation’s assets to a person or number of persons acting jointly or in concert (with the exception of one or several corporations which, prior to the said sale or transfer, were wholly-owned subsidiaries of the Corporation);

- (iii) a transaction, regardless of the type thereof, under which a person or number of persons acting jointly or in concert (with the exception of the Corporation or a wholly-owned subsidiary thereof) directly or indirectly acquire beneficial ownership of or the right to exercise control over or to cast the votes attaching to the Corporation's securities that represent 50% or more of the Corporation's voting securities outstanding immediately prior to the said transaction, whether that transaction is a takeover bid, an issuance or exchange of securities, an amalgamation with another entity, a statutory arrangement or another form of merger;
- (iv) any restructuring of the Corporation in which the voting shares outstanding prior to the restructuring are converted into securities, cash or other property, such that a person or number of persons acting jointly or in concert (with the exception of one or several wholly-owned subsidiaries of the Corporation) hold beneficial ownership of the Corporation's securities representing at least 50% of the voting rights unless, following the restructuring, the beneficial ownership of the said securities remains substantially the same;
- (v) the replacement, in the course of a 12-month period, of a majority of Board members by directors whose appointment or election was not approved by a majority of the Board members prior to the said appointment or election.

"Committee" means a committee consisting of one or several Board members appointed by the Board to manage the Plan; however, if such a committee does not exist, all references to the "Committee" herein means the HR Committee and, if such a committee does not exist, the Board.

"Confidential Information" means information received or conceived by the Participant in the course of his or her employment or the performance of his or her work, which information is not generally known to the public and pertains to the current and future business technology, operations and/or affairs of the Corporation, regardless of the medium on which it is recorded. The expression "Confidential Information" includes, among other things:

- (i) the products and product concepts, designs, formulas, recipes, sketches, designs and descriptions relating to the products, processes and composition of the said products, including any raw materials and ingredients whatsoever used in the manufacture thereof;
- (ii) technical knowledge and methods, quality control processes, product defect inspection methods, laboratory and testing procedures, electronic data processing programs and systems, manufacturing processes, plans, drawings, tests and test reports, software, technical studies and reports, patent applications and manuals;
- (iii) equipment, machinery, devices, tools, instruments and accessories;
- (iv) financial information, product cost data, marketing strategies, business projects, contracts, market studies, the Corporation's financing sources, the supply of raw materials, supplier, staff and customer lists as well as information relating thereto, marketing plans and production schedules, sales techniques and policies, including



pricing policies, sales and distribution data and existing or future expansion projects;
and

- (v) research, experiments, inventions, discoveries, developments, improvements, ideas, trade secrets and know-how.

“Constructive Dismissal” means, for the purposes of Article 7, a unilateral and substantial change to the working conditions of a Participant carried out by the Corporation without the Participant’s consent, which change may consist of a significant reduction in the Participant’s compensation, a significant reduction in his or her responsibilities or a transfer of the Participant to another establishment outside a 100-kilometer radius of his or her usual workplace.

“Continuous Service” means a Participant’s employment with the Corporation that is neither interrupted nor terminated. The Committee may, at its entire discretion, determine whether the Continuous Service is considered to have been interrupted in the event of any leave authorized by the Corporation, including sick leave, military leave or any other personal or family leave other than an Authorized Leave that is not considered a termination pursuant to Article 7. The Committee or its delegate may, at its entire discretion, determine whether a transaction of the Corporation, such as a sale or spin-off of a division or subsidiary that employs a Participant, is deemed to result in the termination of the Continuous Service for the purposes of the Awards in question, which decision shall be final, conclusive and binding.

“Corporation” means Lassonde Industries Inc, the wholly-owned subsidiaries of Lassonde Industries Inc., the associated corporations of Lassonde Industries Inc. within the meaning of the ITA, and any corporation that may succeed same for the purposes of the Plan or, where applicable, an affiliated corporation designated from time to time by the Board or the Committee.

“Corporation’s Classes of Operations” means the following classes of operations:

- (i) Class 1 refers to the development, manufacture and marketing associated with any one of the following products:
 - (A) fruit and/or vegetable juices; non-alcoholic beverages flavoured with fruit and/or vegetables and/or spices and/or herbs (carbonated and non-carbonated), including beverages enriched with vitamins and/or minerals, water-based beverages and infusions, tea-based beverages, protein beverages, electrolyte beverages, thick beverages for people suffering from dysphagia, high-calorie beverages, rehydration beverages and meal replacement beverages; and/or
 - (B) frozen fruit juice concentrates, iced teas, iced coffees, water, and powdered hydration beverage mixes; and/or
 - (C) fruit-based bars and snacks as well as fruit purees and sauces;
- (ii) Class 2 means the development, manufacture and marketing associated with wines, ciders and other fruit-based alcoholic beverages;



(iii) Class 3 means the development, manufacture and marketing associated with specialty food products, such as stocks and fondue sauces, pasta sauces, pizza sauces, soups, tapenades, bruschetta toppings and antipasti.

“Customer” or **“Prospective Customer”** means any customer or prospective customer of the Corporation in the twenty-four (24) months preceding the date of termination of the Participant’s employment with which the Participant, did business or to which the Participant offered goods and/or services or was involved in the good and/or services provided or in the proposal presented to the said customer or prospective customer.

“Disability” means, unless indicated otherwise in an employment agreement or the applicable Award Agreement, that the Participant:

- (i) owing to an illness, affliction, mental or physical disability or other similar reason, is to a substantial extent unable to perform his or her duties as a senior manager of the Corporation either for a period of 12 consecutive months, or for a period of 18 (consecutive or non-consecutive) months in the course of a period of 24 consecutive months;
- (ii) is declared to be mentally unfit or incapable of managing his or her affairs by a court of competent jurisdiction.

The determination of a person’s Disability shall be carried out in accordance with the procedures established by the Committee. The Committee may rely on any determination holding that a Participant is disabled for the purposes of benefits under any long-term disability insurance plan maintained by the Corporation in which that Participant participates.

“Effective Date” means July 1, 2020.

“Fair Market Value” means, on any given date, the volume weighted average of a Subordinate Voting Share’s price on the Stock Exchange for the last five Trading Days prior to that specific date.

“HR Committee” means the Human Resources and Compensation Committee of the Corporation or any committee of the Corporation’s directors that the Board may designate from time to time as the successor thereof.

“ITA” means the *Income Tax Act* (Canada) and its regulations, as these may be amended from time to time.

“Original Financial Statements” has the meaning given thereto in Article 9.

“Participant” means the person to whom an Award is granted under the Plan, as determined by the Committee.

“Plan” means this Lassonde Industries Inc. Senior Management Long-term Incentive Plan , as it may be amended or replaced from time to time.



“Restated Financial Statements” has the meaning given thereto in Article 9.

“Restricted Share Unit” or **“RSU”** means a Restricted Share Unit awarded in accordance with Article 5 and subject to the applicable terms and conditions of the Plan and any Award Agreement relating to such unit.

“Restrictive Covenant” has the meaning given thereto in Article 9.

“Share Appreciation Right” or **“SAR”** means a Share Appreciation Right awarded in accordance with Article 4 and subject to the applicable terms and conditions of the Plan and any Award Agreement pertaining to such right.

“Stock Exchange” means the Toronto Stock Exchange and, during such time as the Subordinate Voting Shares are not traded on the Toronto Stock Exchange, Stock Exchange shall be deemed to mean any other Stock Exchange or trading venue in Canada designated by the Committee on which the Subordinate Voting Shares are traded.

“Subordinate Voting Share” means a Class A Subordinate Voting Share of Lassonde Industries Inc. that is traded on the Stock Exchange, or any security that may replace same should such shares no longer be traded on the Stock Exchange, as determined by the Committee.

“Trading Day” means the day on which the Subordinate Voting Shares are traded on the Stock Exchange.



Article 2 – Eligibility

- (a) A senior manager of the Corporation shall become a Participant of the Plan the moment he or she is designated as such by the Committee for the purposes of the Plan and is granted an Award under the Plan.
- (b) Awards that may be granted under the Plan include: (a) Share Appreciation Rights, and (b) Restricted Share Units, both payable in cash.
- (c) Save in those instances provided for by the Committee in an Award Agreement, no Award shall be granted under the Plan if the Participant is 60 years of age on the grant date.

Article 3 – Administration

(a) Power of the Committee

The Plan shall be managed by the Committee or by the Board, at the latter's entire discretion. Subject to the terms and conditions of the Plan, the Committee's charter and the Applicable Law, and in addition to the other powers and authorizations explicitly conferred by the Plan, the Committee may:

- (i) interpret the Plan and apply the provisions hereof;
- (ii) enact, amend and repeal the rules and by-laws relating to the Plan's management;
- (iii) authorize any person to sign, on the Corporation's behalf, any instrument required to achieve the objectives of the Plan;
- (iv) determine the date on which the Awards must be awarded under the Plan and the applicable award date;
- (v) select, from time to time and subject to the limits set forth herein, the Participants to whom Awards will be granted;
- (vi) determine the number of Subordinate Voting Shares to which each Award refers;
- (vii) prescribe the conditions attaching to each Award, including provisions governing the acquisition and exercise of each Award, and specify the provisions of the Award Agreement that pertain to these grants;
- (viii) amend any outstanding Award, including for the purposes of changing when and how such Award may be vested or exercised, amend the term of any outstanding Award or cancel such Award if certain conditions are not met, the whole without further compensation; however, if the said amendment violates the vested rights of a Participant, increases a Participant's obligations under an Award or creates or increases a Participant's tax liability in respect of an Award, that amendment shall also be subject to the explicit or implicit consent of the Participant;
- (ix) determine the term and purpose of the Authorized Leaves that may be granted to a Participant without constituting an employment termination for the purposes of the Plan, which periods shall not be shorter than the periods generally applicable to employees under the Corporation's employment policies,
- (x) interpret, administer, reconcile any inconsistency or remedy any default or omission in the Plan and any instrument or agreement pertaining to the Plan or any Award;
- (xi) subject to the Applicable Law, delegate to any director or employee of the Corporation such powers and duties pertaining to the Plan as it may deem appropriate;



- (xii) appoint or retain a director to administer or implement the Plan;
- (xiii) exercise its discretionary power to make any other decision it may deem necessary or useful to manage the Plan.

(b) Committee Decisions are Binding

All decisions made by the Committee pursuant to the Plan shall be final and binding upon the Corporation and the Participant.

(c) Indemnification

Generally, no member of the Committee or the Board shall be liable for actions taken or decisions made in good faith pursuant to the Plan or any instrument evidencing the granting of an Award pursuant to the Plan. To the fullest extent permitted by law, the Corporation hereby indemnifies and releases from liability any person who was a party to, or threatened by, a suit or proceeding involving the Plan owing to the fact that this person is or was a member of the Committee or of the Board where any claim, loss, damage and cost (including legal cost) resulting therefrom is concerned, and shall advance and reimburse his or her expenses.



Article 4 – Share Appreciation Rights

(a) Miscellaneous

The Committee may award Share Appreciation Rights (SARs) to the Participants from time to time. Each SAR awarded under the Plan shall be evidenced by an Award Agreement. Each SAR thus awarded shall be subject to the terms and conditions of the Plan, specifically those set forth in this Article 4, as well as the terms and conditions of the applicable Award Agreement that are not incompatible with the Plan. The SARs may be awarded and paid in an amount representing a fraction of a Subordinate Voting Share.

(b) Term

The term of a SAR awarded hereunder shall be determined by the Committee; no SAR, however, may be exercised after the eighth (8th) anniversary of its award date. Notwithstanding the above, if the term of a SAR held by a Participant were to expire within ten Trading Days following the expiry of a Blackout Period that applies to the said Participant pursuant to this paragraph or any other provision of the Plan, then the term of this SAR shall be extended until close of business on the tenth Trading Day following expiry of the Blackout Period.

(c) Vesting

Unless the Committee stipulates otherwise in an Award Agreement, each SAR shall vest in three (3) equal instalments on each of the first, second and third anniversaries of the SAR's award date, provided the Participant was in Continuous Service during that period.

(d) Forfeiture

The SARs awarded to a Participant may be cancelled without further compensation should any of the award conditions thereof not be satisfied or for any other reason described in the Plan or the applicable Award Agreement, in which case all of the Participant's rights in respect of the said SARs shall be terminated without any further obligation on the part of the Corporation.

(e) Exercise and Payment

Unless the Committee stipulates otherwise in an Award Agreement, each SAR may be exercised as of the fifth (5th) anniversary of the SAR's award date up to the eighth (8th) anniversary of the award date or the Participant's 65th birthday, whichever is the earliest of the two. Upon exercising all or part of a SAR Award, the Participant shall be entitled to receive from the Corporation a cash amount (less any applicable tax withholding) equal to the product of the number of Subordinate Voting Shares represented by all or part of the Award being exercised, multiplied by the amount by which the (i) Fair Market Value of the Award or portion of the Award at the date it is being exercised exceeds the (ii) exercise price indicated in the Award Agreement governing the Award or portion of the Award thus exercised. The payment associated with a SAR's exercise must be paid in cash within a reasonable timeframe following the exercise date.



(f) Exercise Price

The exercise price of a SAR shall not be less than the greater of: (i) the Fair Market Value of a Subordinate Voting Share as at the SAR's award date and (ii) the closing price of a Subordinate Voting Share on the Stock Exchange on the first Trading Day immediately preceding the SAR's award date.

Article 5 – Restricted Share Units

(a) Miscellaneous

The Committee may from time to time award RSUs to Participants. Each RSU awarded by the Committee shall be evidenced by an Award Agreement. The RSUs are in addition to, not in replacement of, the regular salary and wages payable to a Participant for his or her services performed in the year the RSUs are awarded or thereafter. The Corporation shall not be bound to set aside funds for the payment of any RSUs. A Participant shall have no voting right in respect of any RSU granted hereunder. Each RSU thus awarded shall be subject to the terms and conditions of the Plan, specifically those set forth in this Article 5, as well as to the other terms and conditions in the applicable Award Agreement that are not incompatible with the Plan. The RSUs may be awarded and paid in an amount representing a fraction of a Subordinate Voting Share.

(b) Dividend Equivalent

Dividend equivalents credited to the Participant shall be deemed reinvested in additional RSUs annually, and shall be subject to the same terms and conditions as the RSUs to which they are attributable with the exception of the value, which shall be determined based on the Fair Market Value of a Subordinate Voting Share at the time of the reinvestment, and shall be vested or unvested (as the case may be) at the same time as the RSUs to which they are attributable. These additional RSUs shall also be credited as additional RSUs as the other dividends are declared.

(c) Vesting

Unless the Committee stipulates otherwise in an Award Agreement, each RSU shall automatically vest on the third anniversary of that RSU's award date, provided the Participant was in Continuous Service during this period. All vesting conditions must be formulated in such a manner that the RSUs satisfy the exception provided for in the definition given to the expression "salary deferral arrangement" in section 248(1)(k) of the ITA or any successor provision thereto.

(d) Forfeiture

The RSUs awarded to a Participant may be cancelled without further compensation if their award conditions are not satisfied or for any other reason described in the Plan or applicable Award Agreement, in which case the Participant's rights in respect of the said RSUs shall be terminated without further obligation on the part of the Corporation.

(e) Payment

Upon the vesting of an RSU, the Corporation shall remit to the Participant a cash amount (less the applicable tax withholdings) equal to the number of RSUs vested that he or she held on the vesting date, multiplied by the Fair Market Value as at that date.

Article 6 – Impact of Employment Termination on Awards

- (a) Notwithstanding any other provision herein, the Committee may stipulate (in a rule, by-law or any Award Agreement) or determine (on a case-by-case basis) those circumstances under which Awards shall be exercised, vested, paid or cancelled should a Participant cease to provide services to the Corporation or any affiliated corporation before any such Award is exercised or settled.
- (b) Unless otherwise provided for in an Award Agreement or the Plan:
- (i) If a Participant is dismissed from his or her position or employment for serious reason or if, instead of being dismissed by the Corporation for serious reason, the Participant resigns from his or her position or employment because the Corporation has serious reason to dismiss him or her, any unvested or unexercisable Award shall expire immediately and be cancelled without compensation. All vested and exercisable SARs that have not been exercised by the Participant on the employment termination date pursuant to Article 4 – SAR shall be presumed to have been exercised on the employment termination date, and the Corporation shall pay the amount described in paragraph 4(e) in respect of the said SARs as soon as possible. Notwithstanding the above, if the employment termination date falls within a Blackout Period, the SARs shall then be presumed to have been exercised on the first Trading Day following expiry of the Blackout Period, and the Corporation shall pay the amount described in paragraph 4(e) in respect of the said SARs as soon as possible.
 - (ii) If a Participant's employment is terminated by the Corporation for any reason other than the one covered in paragraph (i) above, the Awards vested or unvested as at the employment termination date shall be paid, but the number of SARs or RSUs awarded in the course of the fiscal year in which the said employment termination took place shall be adjusted by multiplying this number by a fraction with the numerator being the number of days that shall have elapsed between the applicable award date and the employment termination date and the denominator being the number of days between the award date and December 31st of the year in which the award was made. The Corporation shall remit a cash amount to the Participant (less any applicable tax withholding) equal to the number of RSUs that he or she held as at the employment termination date (adjusted on a pro rata basis pursuant to this paragraph, where applicable) multiplied by the Fair Market Value as at that date. The Participant may, moreover, exercise the SARs that he or she held on the employment termination date (once that number shall have been adjusted on a pro rata basis pursuant to this paragraph, where applicable) at any time throughout the period ending on the expiry date of the SAR set forth in Article IV(b) or a period of one (1) year following his or her employment termination, whichever is the earliest of the two.
 - (iii) Notwithstanding paragraph (ii) above, if a Participant resigns from his or her position or employment before reaching 55 years of age and that resignation is not covered by paragraph (i) above, the Awards held by the said Participant shall be dealt with in the following manner:



(A) Subject to paragraph (B) below, only those Awards vested on the said resignation date shall be paid, the unvested Awards then being cancelled without compensation; and

(B) As regards the SAR Awards vested as at the resignation date: (x) those SARs that were exercisable at the time of the said resignation may be exercised by the Participant at any time throughout the period ending on the expiry date of the SAR set forth in Article IV(b) or the period of three (3) months following the said resignation, whichever is the earliest of the two, it being understood that if the three-month period falls within a Blackout Period, then the SARs shall be presumed to have been exercised on the first Trading Day following expiry of the Blackout Period, and the Corporation shall pay the amount described in paragraph 4(e) in respect of the said SARs as soon as possible; and (y) the SARs that were unexercisable at the time of the resignation shall be presumed to have been exercised on the date that they became exercisable, it being understood that if the date on which the said SARs became exercisable falls within a Blackout Period, then the SARs shall be presumed to have been exercised on the first Trading Day following expiry of the Blackout Period, and the Corporation shall pay the amount described in paragraph 4(e) in respect of the said SARs as soon as possible.

(iv) If a Participant retires early, namely on an employment termination date falling between his or her 55th and 60th birthday or if a Participant retires on or after his or her 60th birthday, any Award shall then be dealt with pursuant to paragraph (ii) above. This paragraph (iv) shall not apply with respect to a Participant who is a United States citizen or United States permanent resident for purposes of the United States Internal Revenue Code of 1986, as amended (the "Code") or any other Participant for whom payment under an RSU granted under the Plan would otherwise be subject to United States taxation under the Code.

(c) Unless otherwise provided for in an Award Agreement or the Plan, no employment terminated by an employee shall be deemed to result from an Authorized Leave if the employee's rights to reinstatement is guaranteed by a law or contract or pursuant to the policy under which the said Authorized Leave was granted or if the Committee specifically authorized it in writing.

(d) Unless otherwise provided for in an Award Agreement or the Plan, if the Continuous Service of a Participant ends owing to his or her death, all Awards held by the Participant shall become fully vested and may be exercised and paid in the following manner:

i) The SARs may be exercised by the Beneficiary at any time throughout the period ending on the expiry date of the SAR or the first anniversary of the Participant's death, whichever is the earliest of the two. Any SAR that is not exercised or has not been waived shall be immediately cancelled without compensation at the end of the said period;

ii) The RSUs shall be paid in cash (less any applicable tax withholdings).

Article 7 – Change of Control Provisions

Unless otherwise provided for by the Committee in an Award Agreement:

- (a) The occurrence of a Change of Control shall not result in the vesting of Unvested Awards, subject to the following conditions: (i) Unvested Awards continue to vest in accordance with the Plan and with the Award Agreement, and (ii) the successor entity agrees to fulfill the Corporation's obligations in respect to these Awards.
- (b) Despite paragraph (a), for the six-month period following a Change of Control, if the Corporation or any successor entity terminates the employment of a Participant for any reason whatsoever, including a Constructive Dismissal, but otherwise than for cause, any Unvested Award on the date of that termination of employment shall be, on that date, deemed vested, exercisable and payable.
- (c) Notwithstanding the foregoing, no cancellation, accelerated vesting or lapse of restrictions, nor any Award payment, cash settlement or other payment may take place in connection with an Award if the Committee determines reasonably and in good faith, before the Change of Control occurs, that the said Award shall be honoured or exercised, or that new rights shall be substituted for that purpose (the said honoured, exercised or substituted Award, hereinafter "Alternative Award") by a successor entity to the Corporation, provided that the said Alternative Award:
 - (i) is based on shares traded on the Stock Exchange or in a recognized stock market;
 - (ii) offers the Participant rights substantially equivalent to the rights and conditions applicable to this Award, including, but not limited to, an identical or better exercise period or vesting schedule or deadlines and same or better payment methods;
 - (iii) has an economic value substantially equivalent to the Award (determined before the Change of Control);
 - (iv) includes conditions that provide that if the Corporation terminates the employment of a Participant for any reason whatsoever, including a Constructive Dismissal, but otherwise than for cause, within at least twelve months following a Change of Control, all the conditions precedent related to the Participant's rights or all the exercise restrictions applicable to the said Alternative Award shall be abolished or will expire, as the case may be, such that this Alternative Award will then become payable.
- (d) The Corporation's obligations under the Plan are enforceable for any corporation or successor organization resulting from the amalgamation, combination or any other reorganization of the Corporation, or for any corporation or continuing organization succeeding all or almost all the assets and operations of the Corporation.
- (e) In addition, in the event of a Change of Control, the Committee may, at its discretion and provided the Committee gives the persons concerned at least ten days prior notice, cancel any



outstanding Award and pay the holders of such Award the value of such Award based on the price of the Subordinate Voting Share received or receivable by the other shareholders of the Corporation, if applicable. If the exercise price of a SAR is equal to or greater than the price paid for a Subordinate Voting Share in connection with the Change of Control, the Committee may cancel the SAR without paying a corresponding consideration.

Article 8 – Amendments and Termination

- (a) The Board may amend, suspend, interrupt or cancel the Plan and any outstanding Award granted under the terms and conditions below, in whole or in part and at any time, subject to Applicable Law.
- (b) In addition, unless otherwise permitted by the Plan, no amendment of an outstanding Award compromising the rights of a Participant may not be introduced without the explicit or implicit agreement of the said Participant, except to the extent that such amendment is necessary for compliance with Applicable Law, in particular the accounting and tax rules and regulations.

Article 9 – General Provisions

- (a) Except as permitted by the Committee or as expressly provided for in an Award Agreement, (i) no Award or no other benefits under the Plan are transferable except by way of a will or the laws of succession, or, as the case may be, as provided for in Article 9(b), and any attempt to pass on such benefit shall be ineffective, and any such benefit shall not in any way be used to repay debts, or be related to contracts, obligations, undertakings or damages of the person receiving the benefit, and shall not be subject to an attachment or any other enforcement proceedings in favour or against that person, and (ii) each Award, and each right arising from an Award, may be exercised during the life of the Participant and solely by the Participant or, if permitted by applicable law, by his or her guardian or legal representative.
- (b) A Participant may designate a Beneficiary or amend a previous designation of beneficiary at certain times set out by the Committee using forms and following procedures approved and accepted by the Committee for this purpose. If no Beneficiary designated by the Participant is entitled to receive payments or any other benefits or may not exercise the rights conferred by the Plan upon the death of the Participant, the Participant's estate shall be the Beneficiary.
- (c) Notwithstanding any other provision of the Plan or an Award Agreement, the Committee may, in its sole discretion, in addition to any other rights that the Corporation may exercise under law or under any agreement:
- (i) Reduce the amount or value or cancel and terminate any Award:
- (A) if the Participant, during the term of his or her employment and/or for a period of twenty-four (24) months from the time he or she ceases to be employed by the Corporation either alone or with any person, firm or corporation, as employer, employee, consultant, director, principal, agent, shareholder (except as a shareholder of a public corporation in which the employee holds less than five percent of the shares) or in any other way whatsoever, performs management or similar functions, pursues, is involved or has an interest, directly or indirectly, or advises any person, firm or corporation involved or having an interest, the whole, in an activity that is directly related to one or more of the Corporation's Classes of Operations. This paragraph is, however, limited to the Corporation's Class of Operations in relation to which the Participant performed duties or had access to Confidential Information during the course of his or her employment. This paragraph is also limited to the jurisdiction of Canada (this paragraph (A) and paragraphs (B), (C), (D) and (E) that immediately follow hereinafter, collectively referred to as "Restrictive Covenant");
- (B) if the Participant, during the term of his or her employment and for a period of twenty-four (24) months from the time he or she ceases to be employed by the Corporation, solicits or attempts to solicit any Customer and/or Prospective Customer of the Corporation, in order to induce them to terminate their business relationship with the Corporation, in any capacity whatsoever, directly or indirectly and in any way whatsoever;
- (C) if the Participant, during the term of his or her employment and for a period of twenty-four (24) months from the time he or she ceases to be employed by the Corporation,

induces, attempts to induce or otherwise solicits any employee as well as any supplier of goods and/or services (including self-employed workers, agents and consultants) of the Corporation in order to induce them to terminate their employment or business relationship with the Corporation;

(D) if the Participant, during the course of his or her employment and/or from the time he or she ceases to be employed by the Corporation, does not respect the confidentiality of the Confidential Information, discloses or discusses it with any other person, uses it, other than in the performance of his or her work for the Corporation, without first obtaining the express written authorization of the Corporation and as long as such information does not become available to the public as a result of an act of the Corporation or from another source not bound by an obligation of confidentiality, through no fault of one of the employees of the Corporation;

(E) if the Participant fails to comply with any agreement, including but not limited to an employment or other contract, that may bind the Participant and the Corporation with respect to the non-competition, non-solicitation of customers and prospective including self-employed workers, agents and consultants) of the Corporation, non-solicitation of employees of the Corporation or confidentiality issues;

(F) if the Committee reasonably determines that the Participant has engaged in conduct that causes damage to the Corporation's property, financial loss or reputation, or has been guilty of gross negligence, wilful misconduct or fraud in the performance of the Participant's duties or functions with the Corporation; or

(G) in the event of a Restatement (as defined below); and/or

(ii) require a Participant to reimburse the Corporation for any amount paid to the Participant in respect of an Award:

(A) that exceeds the amount that would have been payable for such Award if the determination of such amount had been based on the financial statements of the Corporation (the "Original Financial Statements") that were required to be restated (for a reason other than a change in accounting policy or International Financial Reporting Standards applicable to the Corporation) and those restated financial statements (the "Restated Financial Statements") disclose, according to the Committee acting reasonably, less favourable financial results than those disclosed in the Original Financial Statements (a "Restatement"); or

(B) which was paid within the twelve (12) months prior to the date on which the Participant: (x) does not comply with the Restrictive Covenant, or (y) is dismissed for cause, or (z) engaged in conduct or misconduct described in paragraph (i)(F) above;

less, in any event, the amount of tax withheld in accordance with the ITA or another competent tax authority in respect of the amount paid in cash.

(d) The Plan is not funded. Neither the Corporation nor the Board or the Committee shall establish a special or segregated fund or segregate any assets for the purpose of meeting its obligations

under the Plan. With respect to any payment for which a Participant has a fixed and personal interest, but which is not yet paid to the Participant by the Corporation, nothing herein shall give a Participant greater right than that of a general unsecured creditor of the Corporation.

- (e) Decisions of the Board or Committee under the Plan need not be uniform and may be made selectively among those eligible to receive, or who have actually received, Awards. Without limiting the generality of the foregoing, the Committee is authorized to make non-uniform and selective determinations, amendments and adjustments and to enter into non-uniform and selective Award Agreements.
- (f) The Corporation is entitled to deduct from any payment required to be made under the Plan, or to require, before payment of any amount, payment by the Participant of any federal or provincial tax, or any other tax required to be withheld or paid by law.
- (g) The grant of an Award shall not be construed as entitling the Participant to remain in the service of the Corporation. The Corporation may terminate a Participant's employment at any time, with the Corporation being free from any liability or claim under the Plan, except as otherwise provided in the Plan or in any Award Agreement or other binding agreement. The receipt of any Award under the Plan is not intended to confer any rights on the Participant receiving it, except as set out in such Award.
- (h) If any provision of the Plan or any Award is, becomes or is deemed to be invalid, illegal or unenforceable in a jurisdiction, or in respect of any person or Award, or if such provision would have the effect of rendering the Plan or any Award invalid under any law that the Committee determines to be applicable, such provision shall be construed or deemed to be amended so as to comply with applicable law, or if such provision cannot be construed or deemed to be amended without, in the opinion of the Committee, materially altering the intent of the Plan or the Award, the provision shall be deemed not to exist in respect of such jurisdiction, person, Award, and the remainder of the Plan and Award shall remain in effect.
- (i) No Award granted or paid under the Plan shall be considered an indemnity for the purpose of calculating benefits under any of the Corporation's pension plans or affect any benefit under any other benefit plan now or hereafter in force for which the availability or amount of benefits is related to the level of indemnity. It is not mandatory that the provisions of the Awards be the same for each Participant or that these Awards to individual Participants be the same in subsequent years.
- (j) Upon exercise of a right granted under the Plan, the Corporation shall pay any amount due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations that the Corporation may have, for the purposes of this Plan, 30 days shall be considered a reasonable period of time.
- (k) The Award Agreements authorized under the Plan may contain other provisions that are not inconsistent with this Plan, including, without limitation, restrictions on the exercise of Awards, if the Committee deems it appropriate to do so.
- (l) In the event of any conflict or inconsistency between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any conflict or inconsistency



between the provisions of the Plan and any Award Agreement, on the one hand, and a participant's employment contract with the Corporation, on the other hand, the provisions of the employment contract shall prevail.

- (m) The costs of managing the Plan shall be paid by the Corporation.
- (n) The Committee may from time to time adopt one or several supplemental plans to the Plan for the purposes of complying with the Applicable Law in other jurisdictions in which the Awards may be granted. Any supplemental plan shall contain such terms and conditions as the Committee believes to be necessary or useful. The supplemental plans shall be deemed to form a part of the Plan, provided that a supplemental plan's provisions apply only to the Participants in the jurisdiction covered by that supplemental plan.



Article 10 – Applicable Law

This Plan shall be governed and interpreted in accordance with the laws of the province of Quebec and the laws of Canada applicable therein.