



**ZEFIRO METHANE CORP.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

to be held on December 13, 2024 and

**MANAGEMENT INFORMATION CIRCULAR**

dated November 8, 2024

**ZEFIRO METHANE CORP.**

November 8, 2024

Dear shareholders of Zefiro Methane Corp.:

On behalf of the directors and management team of Zefiro Methane Corp. (the "**Company**"), we are pleased to invite you to attend the Company's annual shareholder meeting (the "**Meeting**"), taking place at 10:00 a.m. (Eastern Time) on December 13, 2024. We will hold the Meeting in a virtual only format, which will be conducted via live videoconference, to provide shareholders with equal opportunity to participate at the Meeting online regardless of geographic location.

At the Meeting, the holders of the common shares of the Company ("**Shareholders**") will be asked to receive the financial statements for the year ended June 30, 2024, together with the auditors' report thereon, consider and, if thought appropriate, pass an ordinary resolution fixing the number of directors of the Company, elect the directors of the Company for the ensuing year, appoint Reliant CPA, Chartered Professional Accountants as the auditors of the Company, consider and, if thought appropriate, pass an ordinary resolution ratifying and approving the Company's stock option plan, consider and, if thought appropriate, pass an ordinary resolution ratifying and approving the Company's restricted share unit plan, and consider and, if thought appropriate, pass an ordinary resolution to confirm and ratify an advance notice policy, previously adopted by the board of directors of the Company.

Your vote matters. You may exercise it by completing the proxy form or VIF or by virtually attending the Meeting. The accompanying management information circular describes the business to be conducted at the Meeting, important additional information and detailed instructions on voting and participation at the Meeting, and the Company's governance practices.

Thank you for your investment and we look forward to connecting with you at the Meeting.

Sincerely,

*"Talal Debs"*

Talal Debs  
Founder and Chief Executive Officer

**Zefiro Methane Corp.**  
**Notice of Annual Meeting of Shareholders**  
**To Be Held On December 13, 2024**

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular dated November 8, 2024 (the "**Circular**").

Notice is hereby given that the annual meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Zefiro Methane Corp. ("**Zefiro**" or the "**Company**") will be held on December 13, 2024 at 10:00 a.m. (Eastern Time) virtually via live videoconference for the following purposes:

1. to receive the financial statements of the Company for the fiscal year ended June 30, 2024, together with the auditors' report thereon;
2. to appoint the auditors of the Company for the ensuing year and to authorize the directors of the Company (the "**Directors**") to fix their remuneration;
3. to consider and, if deemed advisable, to pass, an ordinary resolution setting the number of directors to be elected at the Meeting at four (4);
4. to elect the Directors of the Company for the ensuing year;
5. to consider and, if deemed advisable, to pass, an ordinary resolution to ratify and approve the advance notice policy of the Company, as more particularly described in the accompanying Circular;
6. to consider and, if deemed advisable, to pass, an ordinary resolution to ratify and approve the Company's stock option plan, as more particularly described in the accompanying Circular;
7. to consider and, if deemed advisable, to pass, an ordinary resolution to ratify and approve the Company's restricted share unit plan, as more particularly described in the accompanying Circular; and
8. to transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular under "*Particulars of Matters to be Acted Upon at the Meeting*", accompanying and forming part of this Notice of Annual Meeting (the "**Notice**").

Shareholders of record ("**Registered Shareholders**") at the close of business on November 6, 2024 are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting. If unable to attend the Meeting, a Registered Shareholder may, in advance of the Meeting, submit his/her/its proxy by mail, telephone or over the internet in accordance with the instructions below.

Shareholders are reminded to review the Circular prior to voting.

**PRE-REGISTRATION REQUIRED TO ATTEND THE MEETING**

The Company is conducting the Meeting via Zoom live video conference only. Persons wishing to attend the Meeting will be required to pre-register for the Meeting at the link set forth below. Once you have pre-registered for the Meeting, you will receive an email providing access details for the Meeting. Pre-registration is being required

to ensure that only eligible shareholders and proxyholders are permitted to vote, and to ensure the proper counting of those votes. Please see the Circular for additional information on pre-registration and attending the Meeting.

**Pre-registration link:**

[https://us02web.zoom.us/meeting/register/tZMrce-srDgrHNly8i8tN\\_e2d7u9fPinTDr5](https://us02web.zoom.us/meeting/register/tZMrce-srDgrHNly8i8tN_e2d7u9fPinTDr5)

Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular. Non-registered Shareholders ("**Non-Registered Holders**") who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to ask questions or vote at the Meeting.

A Shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form ("**VIF**") (including a Non-Registered Holder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or VIF.

**Registered Shareholders**

Registered Shareholders may vote by proxy before the Meeting by using one of the following methods:

- By Internet: <https://www.eproxy.ca/>
- By Facsimile: 604-559-8908
- Return of Proxy by Email: [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com)
- Return of Proxy by Mail: Endeavor Trust Corporation, Attention: Proxy Department, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Endeavor no later than 10:00 a.m. (Eastern Time) on December 11, 2024 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the adjourned or postponed Meeting) in accordance with the delivery instructions above. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

**Non-Registered Holders**

A Non-Registered Holder should follow the instructions included on the VIF provided to him/her/it.

**DATED** November 8, 2024.

By Order of the Board of Directors

*"Talal Debs"*

Talal Debs  
Founder and Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

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## **PROXY AND VOTING INFORMATION**

### **Solicitation of Proxies**

This management information circular (the "**Circular**") dated as of November 8, 2024, and accompanying form of proxy are furnished in connection with the solicitation, by management of Zefiro Methane Corp. ("**we**", "**us**", "**our**", the "**Company**" or "**Zefiro**"), of proxies to be used at the annual meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Company (the "**Meeting**") referred to in the accompanying Notice of Annual Meeting (the "**Notice**") to be held on December 13, 2024 at 10:00 a.m. (Eastern Time) for the purposes set forth in the Notice. The Meeting will be held in a virtual only format. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting online is provided below. See "**Meeting Information**" below.

The solicitation will be made primarily by mail in relation to delivery of the meeting materials, but proxies may also be solicited personally or by telephone by directors ("**Directors**") and/or officers of the Company. The cost of solicitation by management will be borne by the Company.

### **Record Date**

Shareholders of record ("**Registered Shareholders**") at the close of business on November 6, 2024 (the "**Record Date**"), are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting. Registered Shareholders are Shareholders of the Company that have a share certificate or DRS Advice for Common Shares and the Common Shares are registered in the Shareholder's name or the Shareholder holds Common Shares through direct registration with the Company's transfer agent and registrar for Common Shares, Endeavor Trust Corporation ("**Endeavor**"). Shareholders that are not Registered Shareholders and hold their Common Shares beneficially through a Nominee (as defined herein) or clearing agency are referred to herein as "**Non-Registered Holders**".

### **Meeting Information**

The Meeting will be held on December 13, 2024 at 10:00 a.m. (Eastern Time).

The Meeting will be held via video conference only. **Persons wishing to attend the Meeting will be required to pre-register for the Meeting at the link set forth below. Once you have pre-registered for the Meeting, you will receive a separate email providing access details for the Meeting.** Pre-registration is being required to ensure that only eligible shareholders and proxyholders are permitted to vote, and to ensure the proper counting of those votes.

After registering, approved attendees will receive a confirmation email containing information about joining the Meeting. In order to ensure your ability to attend the Meeting, please pre-register for the Meeting as early as possible.

**Pre-registration link:**

**[https://us02web.zoom.us/meeting/register/tZMrce-srDgrHNly8i8tN\\_e2d7u9fPinTDr5](https://us02web.zoom.us/meeting/register/tZMrce-srDgrHNly8i8tN_e2d7u9fPinTDr5)**

Shareholders will have an equal opportunity to participate at the Meeting online regardless of geographic location. Registered Shareholders and proxyholders will be able to attend the virtual meeting and vote, and will be considered to be present in person at the Meeting for the purposes of determining quorum. Non-Registered Holders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest, but will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the Non-Registered Holders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder.



The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, Shareholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. **Registered Shareholders wishing to vote in person, proxyholders wishing to vote and any Shareholders wishing to view materials that may be presented by Management will need to utilize the Zoom application and provide to the Company's scrutineer at the Meeting their first and last name and their unique control number provided with their form of proxy.**

Shareholders may also listen to the Meeting via teleconference. However, Registered Shareholders participating via teleconference will only be able to vote in person at the Meeting if the Company's scrutineer is able to take steps to verify the identity of Registered Shareholders.

**Access to the Meeting will be opened approximately 30 minutes prior to the start of the Meeting. It is strongly recommended that persons attending the meeting access the Meeting 30 minutes before the Meeting starts to facilitate registration by the Company's scrutineer.**

#### **Appointment of Proxyholder**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers and/or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

#### **Voting by Proxy**

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice in accordance with the instructions of the Shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice and in favour of all other matters proposed by Management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, Management knows of no such amendments, variations or other matters to come before the Meeting.

#### **Completion and Return of Proxy**

**For a proxy to be valid for the Meeting or any adjournment or postponement thereof it MUST be completed and delivered to Endeavor no later than 10:00 a.m. (Eastern Time) on December 11, 2024** (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the adjourned or postponed Meeting) in accordance with the delivery instructions below. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice. A proxy can be submitted to Endeavor either in person, or by mail or courier, to Endeavor Trust Corporation, Attention: Proxy Department, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, via the internet at <https://www.eproxy.ca/>, via facsimile at 604-559-8908 or via email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com).

## **Non-Registered Holders**

Only Shareholders whose names appear on the records of the Company as the registered holders of Common Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Common Shares they own are not registered in their names but instead registered in the name of a nominee (a "**Nominee**") such as a brokerage firm through which they purchased the Common Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited and in the United States, under the name Cede & Co., as nominee for the Depository Trust Company (which acts as a brokerage depository for many U.S. firms and custodial banks). If you purchased your Common Shares through a broker, you are likely a Non-Registered Holder.

If you, as a Non-Registered Holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting. Non-Registered Holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those Non-Registered Holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

Issuers can request and obtain a list of their NOBOs from Nominees via their transfer agents, pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive copies of the Notice, this Circular, a voting instruction form and a financial statement request form (collectively, the "**Meeting Materials**") from the Company's transfer agent, Endeavor Trust Corporation. The voting instruction form is to be completed and returned to Endeavor Trust Corporation in the envelope provided. Endeavor Trust Corporation will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, via the internet or by telephone.

The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Meeting Materials to the clearing agencies and Nominees for distribution to such Non-Registered Holders. Nominees are required to forward the Meeting Materials to Non-Registered Holders unless they have waived the right to receive them. Nominees often use service companies to forward the Meeting Materials to Non-Registered Holders. Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- a) be given a voting instruction form which is not signed by the Nominee and which, when properly completed and signed by the OBO and returned to the Nominee or its service company, will constitute voting instructions which the Intermediary must follow; or
- b) be given a form of proxy which has already been signed by the Nominee (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed by the Nominee. Because the Nominee has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, c/o Endeavor Trust Corporation, Suite 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of their Common Shares they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder or such other person's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Nominee, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to a Nominee at any time by written notice to the Nominee provided that a Nominee is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Nominee at least seven days prior to the Meeting.

#### **Revocability of Proxy**

In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

#### **GENERAL INFORMATION**

The information contained herein is provided as of the date hereof, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the management of the Company.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. All references to "\$" are to Canadian dollars.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As of the date hereof, the authorized share capital of the Company consists of an unlimited number of common shares without par value. The Company has fixed November 6, 2024, as the Record Date for the purpose of determining the shareholders entitled to receive notice of and to vote at the Meeting. As at November 6, 2024, there were 72,137,700 Common Shares issued and outstanding. Holders of Common Shares are entitled to one vote per share at all meetings of the Shareholders of the Company, except meetings at which only holders of a specified class of shares is entitled to vote.

Pursuant to the Company's articles, a quorum for the transaction of business at the Meeting is two persons present each entitled to vote at the Meeting and holding or representing by proxy not less than 20% of the votes entitled to be cast at the Meeting.

To the knowledge of the Directors and the officers of the Company, no person other than the following shareholders beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to the Common Shares which may be voted at the Meeting or any adjournment or postponement thereof.

Name of Shareholder	Type of Share Ownership	Number of Common Shares	Percentage of Ownership on an Undiluted Basis <sup>(1)</sup>	Percentage of Ownership on a Fully-diluted Basis <sup>(2)</sup>
X Machina Sustainable Technologies Inc. <sup>(3)</sup>	Direct	16,025,000 <sup>(2)</sup>	22.6%	17.7%

**Notes:**

- (1) Based on 72,137,700 Common Shares issued and outstanding as at the date of this Circular.
- (2) Based on 90,350,984 Common Shares issued and outstanding on a fully-diluted basis as at the date of this Circular, comprising of 72,137,700 Common Shares, 9,061,500 Consideration Warrants, 1,424,150 Warrants and 7,674,634 stock options.
- (3) XMST is a company controlled by Talal Debs.

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

### **1. Financial Statements**

The financial statements (the "**Financial Statements**") of the Company for the fiscal year ended June 30, 2024, together with the auditor's report thereon, are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.zefiromethane.com/financial-reports/](http://www.zefiromethane.com/financial-reports/). The Financial Statements will be placed before the Shareholders at the Meeting, but no vote thereon is required.

### **2. Appointment of Auditors**

At the Meeting, Shareholders will be requested to appoint Reliant CPA, Chartered Professional Accountants ("**Reliant CPA**") as auditors of the Company, to hold office until the next annual general meeting of Shareholders, and to authorize the Directors to fix the auditors' remuneration.

The following table sets forth the fees billed by the external auditors to the Company for the fiscal year ended June 30, 2023 and June 30, 2024:

Year Ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>	Total
June 30, 2024	\$193,324	\$0	\$0	\$0	\$193,324
June 30, 2023	\$26,828	\$0	\$0	\$0	\$26,828

**Notes:**

- (1) "Audit Fees" consist of the fees billed for the audit of the Company's financial statements, including accounting consultations, a review of matters reflected in the financial statements and audit or other services required by legislation or regulation.
- (2) "Audit-Related Fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".
- (3) "Tax Fees" are fees other than those included in Audit Fees for tax services.

- (4) "All Other Fees" include all other non-audit services.

The audit committee ("**Audit Committee**") of the Company's board of directors (the "**Board**") reviews and approves all audit and non-audit services performed by our auditors in advance of services being performed. The Audit Committee is comprised of Catherine Flax (Chair), Jonson Sun, and Daryl Heald.

**Unless the Shareholder directs that his/her/its Common Shares are to be withheld from voting in connection with the appointment of auditors, the Management Proxyholders intend to vote "FOR" the appointment of Reliant CPA as auditors of the Company until the next annual general meeting of Shareholders and to authorize the Directors to fix their remuneration.**

### **3. Number of Directors**

The Board of the Company presently consists of four (4) directors. Management proposes that the number of directors on the Board be fixed at four (4) for the ensuing year. Shareholders will be asked at the Meeting to consider and, if deemed advisable, to approve an ordinary resolution setting the number of directors to be elected at four (4), subject to such increases as may be permitted by the Articles of the Company and the provisions of the *Business Corporations Act* (British Columbia) ("**Business Corporations Act**").

**The Board recommends a vote "FOR" the approval of the resolution setting the number of directors to be elected at four (4). In the absence of contrary instructions, the Management Proxyholders will cast the votes represented by any proxy or VIF "FOR" the approval of the resolution setting the number of directors to be elected at four (4).**

### **4. Election of Directors**

At the Meeting, the following four (4) persons named herein will be nominated for election as directors of the Company. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Shareholders. Three of the four nominated directors are "independent" as described in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Talal Debs is not independent because he is an executive officer of the Company. All of the nominated directors are qualified and experienced, and have agreed to serve on our Board.

The proxy permits Shareholders to vote in favour of all nominees, to vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. The Chair of the Meeting will ensure that the number of Common Shares voted in favour or withheld from voting for each nominee is recorded and promptly made public after the Meeting. The election of Directors is subject to the Company's majority voting policy available on the Company's website at <https://www.zefiromethane.com/Majority-Voting-Policy.pdf>, which requires any nominee in an uncontested election who receives a greater number of Common Shares withheld than Common Shares voted in favour of his or her appointment to submit his or her resignation promptly after the Meeting for the consideration of the Board's Compensation and Corporate Governance Committee and the Board.

The following table sets forth certain information in respect of each Director to be elected or re-elected to the Board, including the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each beneficially owns, directly or indirectly, or exercises control over, as of the date of this Circular:

Name and Province of Residence and Position	Director Since <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(2)</sup>	Shares Beneficially Owned Directly or Indirectly (at the date of this Circular) <sup>(3)</sup>
<b>Talal Debs</b> Florida, United States CEO, Founder and Director <sup>(4)</sup>	September 28, 2022	Chief Executive Officer, founder and director of the Company since September 2022. Founder and Managing Partner of X Machina Capital Strategies (October 2020 to October 2022); Founder and Chairman of XMST (July 2021 to present); Senior Advisor at Stonehaven International (June 2019 to September 2020)	20,135,500 <sup>(5)</sup>
<b>Daryl Heald<sup>(6)</sup></b> Tennessee, United States Director	September 28, 2022	Private investor and director of the Company since October 2022; Founder of Gratias Capital LLC (May 2022 to October 2022); Founder of Generosity Path (January 2000 to January 2021); Director of Generosity at The Maclellan Foundation (April 1997 to January 2021)	1,002,500 <sup>(7)</sup>
<b>Jonson Sun<sup>(6)</sup></b> Ontario, Canada Director	September 28, 2022	Founder of GIC Merchant Bank Corp. (June 2017 to present); Director at Hire Technologies Inc. (November 2017 to October 2021); Director at Emerge Commerce Inc. (December 2020 to October 2021); Director at Fandom Sports Media Inc. (June 2020 to November 2020)	2,087,000 <sup>(8)</sup>
<b>Catherine Flax<sup>(6)</sup></b> New York, United States Director	September 28, 2022	President of Private Markets at X Machina Capital Strategies (April 2019 to present); Managing Director at CRA, Inc (April 2019 to present).	1,000,000

**Notes:**

- (1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
- (2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
- (3) This information as to shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective individuals or has been extracted from public filings or the register of shareholdings maintained by the Company's transfer agent.
- (4) Mr. Debs is also the Chair of the Board.
- (5) Mr. Debs owns 1,000,000 Common Shares directly and is also a control person of XMST and X Machina Capital Strategies Fund I LP, which own 16,025,000 and 3,110,000 Common Shares, respectively.
- (6) Audit Committee member and Compensation and Corporate Governance Committee member.
- (7) These Common Shares are held by a trust of which Mr. Heald's spouse is the beneficiary.
- (8) 1,250,000 Common Shares are held through GIC Merchant Bank Corporation and 837,000 Common Shares are held through GICMB Venture Corp. I, both entities in which Mr. Sun is a control person.

**In the absence of contrary instructions, the Management Proxyholders intend to vote the Common Shares represented thereby "FOR" the election to the Board of those persons designated as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favor of management designees will be voted "FOR" another nominee in their discretion unless the Shareholder has specified in his proxy that their Common Shares are to be withheld from voting on the election of directors.**

#### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, none of the nominees are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, none of the nominees:

- is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

Jonson Sun is a director of Hire Technologies Inc. On May 5, 2023 the Ontario Securities Commission issued a failure to file cease trade order for Hire Technologies Inc.'s failure to file its annual audited financial statements, management's discussion and analysis, and certification of annual filings for the year ended December 31, 2022. The order is active as of the date of this Circular.

#### **5. Approval of Advance Notice Policy**

On November 8, 2024, the Board adopted an advance notice policy (the "**Advance Notice Policy**"). The following is a summary of the principal provisions of the Advance Notice Policy and is qualified by reference to the full text of the Advance Notice Policy attached as Schedule A to this Circular. The Advance Notice Policy establishes a framework for the nomination of directors by shareholders. Among other things, the Advance Notice Policy fixes deadlines by which shareholders must submit a notice of director nominations to the Company prior to any annual or special meeting of shareholders where directors are to be elected, and sets out the information that a shareholder must include in the notice with respect to director nominees. The Advance Notice Policy does not

interfere with the ability to nominate directors by way of a shareholder proposal or requisition a meeting in accordance with the Business Corporations Act.

To nominate one or more directors for election to the Board, a shareholder must give a valid notice to the Company (the "**Nomination Notice**"):

- i) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than 30 days prior to the date of the meeting, provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date on which the first notice to shareholders or first public notice (including materials published by the Company by way of a press release or on the Company's SEDAR+ profile) is announced (the "**Meeting Notice Date**"), the Nomination Notice is received no later than the close of business on the 10th day after the Meeting Notice Date; and
- ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not also called for the purpose of conducting other business), the Nomination Notice must be delivered no later than the close of business on the 15th day after the Meeting Notice Date.

In the event of an adjournment or postponement of the annual or special meeting of the shareholders, a new period for Nomination Notices will apply.

The Advance Notice Policy includes certain requirements to include a sufficiently detailed description of the proposed nominees. The Advance Notice Policy also authorizes the chair of the meeting to determine whether a nomination was made in accordance with the procedures set forth in the Advance Notice Policy and, if any proposed nomination is not in compliance with the Advance Notice Policy, to declare that such defective nomination shall be disregarded. The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy.

The Compensation and Corporate Governance Committee and the Board believes that the Advance Notice Policy sets out a clear process for shareholders who intend to nominate directors at a shareholders' meeting, providing reasonable timeframes for shareholders to notify the Company and disclose sufficient information concerning the proposed nominees mandated by applicable securities laws. The Board will better be able to evaluate the proposed nominees' qualifications as directors and respond in the best interests of the Company, and shareholders will be able to make well-informed decisions about director nominees.

Shareholders must confirm the Advance Notice Policy at the Meeting. In order for the Advance Notice Policy to be confirmed, it must be approved by a majority of the votes cast at the Meeting. If shareholders do not approve the ordinary resolution confirming the adoption of the Advance Notice Policy, it will not be effective or binding on the Company.

If the Advance Notice Policy is approved at the Meeting, the Policy will continue to be in effect in accordance with its terms and conditions beyond the conclusion of the Meeting. Thereafter, the Advance Notice Policy will be subject to review by the Board from time to time and may be amended by majority vote of the Board for the purposes of, among other things, complying with the requirements of applicable securities regulatory agencies or stock exchanges, or so as to meet industry or good governance standards. If the Advance Notice Policy is not approved at the Meeting, the Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

Shareholders of the Company will be asked at the Meeting to consider and, if deemed advisable, to pass the following ordinary resolution:

**"BE IT RESOLVED** as an ordinary resolution of the shareholders of Zefiro Methane Corp. (the "**Company**") that:



1. The Advance Notice Policy of the Company, adopted by the Board of Directors on November 8, 2024 and attached as Schedule A to the Circular of the Company dated November 8, 2024 be and is hereby confirmed, ratified and approved as a policy of the Company;
2. Any officer or director of the Company be, and each is hereby, authorized and directed, for and on behalf of the Company, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution, including compliance with all securities laws and regulations; and
3. The Board of Directors of the Company be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution."

**The Board has determined that the Advance Notice Policy is in the best interests of the Company and its shareholders and accordingly, the Board recommends that shareholders ratify and confirm the adoption of the Advance Notice Policy by voting "FOR" the above noted resolution. To pass, the above noted resolution must be approved by a majority of votes cast by Shareholders or represented by proxy at the Meeting**

**In the absence of contrary instructions, the Management Proxyholders will cast the votes represented by any proxy or VIF "FOR" the approval of the above noted resolution.**

#### **6. Approval of Stock Option Plan**

The board of directors of the Company approved a stock option plan effective August 4, 2023, as amended January 15, 2024 and November 8, 2024 (the "**Option Plan**"), a copy of which is attached as Schedule B to this Circular, which provides eligible directors, officers, employees and consultants with the opportunity to acquire Common Shares and to benefit from any appreciation in the value of the Common Shares. The Option Plan provides an increased incentive for those individuals to contribute to the Company's future growth, success, and prosperity, thus enhancing the value of the Common Shares for the benefit of all of the Company's shareholders and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company. The key features of the Option Plan are as follows. Reference should be made to the Option Plan attached as Schedule B to this Circular for full details of the Option Plan.

- The maximum number of Common Shares issuable under the Option Plan, inclusive of all Common Shares reserved for issuance pursuant to previously granted stock options, and any other share compensation arrangements of the Company, including the Restricted Share Unit Plan (as defined herein), shall not exceed 13,131,900 Common Shares, being 20% of the Common Shares of the Company that were issued and outstanding as of the date of the listing of the Common Shares on Cboe Canada Inc.
- The expiry date of an option shall be determined by the Board, but shall have a maximum term of ten years from the date of issue.
- Options will fully vest on the grant date of such options, subject to the discretion of the Board.
- The exercise price of options granted under the Option Plan will be determined by the Board when the option is granted, but will not be less than the greater of the closing market price of the Company's Common Shares on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options.
- Options granted under the Option Plan are non-assignable and non-transferable, and, except in the case of an option holder's death, only a participant to whom an option has been granted may exercise that option; provided that, subject to the prior approval of the Board and the Cboe Canada Inc., a participant may assign

an option to a company of which all of the voting securities are beneficially owned by the participant, which ownership will continue for as long as any portion of the option remains unexercised.

- Each option will be evidenced by a written agreement or certificate between and signed by the Company and the optionee.
- The Board may amend or discontinue the Option Plan at any time without the consent of the participants thereunder provided that the amendment does not alter or impair any option previously granted under the Option Plan except for certain adjustments as provided for in the Option Plan. Any amendment of the Option Plan may require the prior approval of the Cboe Canada Inc. and may require the approval of the Company's shareholders in accordance with the policies of Cboe Canada Inc.

The Option Plan has been adopted by the Board, and stock options have and may continue to be granted under the Option Plan. But the Option Plan is subject to shareholder approval at the Meeting, and stock options granted under the Option Plan may not be exercised into Common Shares until the requisite shareholder approval is obtained.

At the Meeting, Shareholders will also be asked to consider and, if deemed advisable, to approve an ordinary resolution ratifying, adopting and approving a new Restricted Share Unit Plan of the Company. See *"Particulars of Matters to be Acted Upon at the Meeting – Approval of Restricted Share Unit Plan"* in this Circular. If the Option Plan and the Restricted Share Unit Plan are approved by Shareholders at the Meeting, the Company intends to make an offer to each holder of stock options previously granted under the Option Plan to exchange such stock options for new restricted share units to be granted under the Restricted Share Unit Plan on the basis of one restricted share unit for each outstanding stock option.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass the following ordinary resolution:

**"BE IT RESOLVED** as an ordinary resolution of the shareholders of Zefiro Methane Corp. (the "**Company**") that:

1. The stock option plan (the "**Option Plan**") of the Company, approved by the Board of Directors effective as of August 4, 2023, as amended January 15, 2024 and November 8, 2024 and attached as Schedule B to the Circular of the Company dated November 8, 2024 be and is hereby confirmed, ratified and approved;
2. All stock options previously granted under the Option Plan and all unallocated options, rights and other entitlements permitted under the Option Plan are hereby approved, ratified and confirmed;
3. Any officer or director of the Company be, and each is hereby, authorized and directed, for and on behalf of the Company, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution, including compliance with all securities laws and regulations; and
4. The Board of Directors of the Company be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution."

**The Board has determined that the above noted resolution is in the best interests of the Company and unanimously recommends that Shareholders vote "FOR" the above noted resolution to ratify and approve the Option Plan. To pass, the above noted resolution must be approved by a majority of votes cast by Shareholders or represented by proxy at the Meeting excluding votes attached to Common Shares held by Shareholders who are related persons to whom options may be granted under the Option Plan.**

In the absence of contrary instructions, the Management Proxyholders will cast the votes represented by any proxy or VIF "FOR" the approval of the above noted resolution.

#### **7. Approval of Restricted Share Unit Plan**

The board of directors of the Company has approved a restricted share unit plan dated effective as of November 8, 2024 (the "**Restricted Share Unit Plan**"), a copy of which is attached as Schedule C to this Circular, which provides eligible directors, officers, employees and consultants with the opportunity to acquire Common Shares and to benefit from any appreciation in the value of the Common Shares. The Restricted Share Unit Plan provides an increased incentive for those individuals to contribute to the Company's future growth, success, and prosperity, thus enhancing the value of the Common Shares for the benefit of all of the Company's shareholders and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company. The key features of the Restricted Share Unit Plan are as follows. Reference should be made to the Restricted Share Unit Plan attached as Schedule C to this Circular for full details of the Restricted Share Unit Plan.

- The maximum number of Common Shares issuable under the Restricted Share Unit Plan, together with any other share compensation arrangements of the Company, including the Option Plan, shall not exceed 13,131,900 Common Shares, being 20% of the Common Shares of the Company that were issued and outstanding as of the date of the listing of the Common Shares on Cboe Canada Inc.
- Restricted share units shall vest pursuant to a vesting schedule determined by the Board at the date of grant and the Company shall redeem such restricted share units only at the end of the applicable performance period pertaining to the restricted share units determined by the Board, which period shall not exceed three years from the date of grant, and issue from treasury one Common Share for each full restricted share unit that has vested without any further action on the part of the holder thereof. Notwithstanding the foregoing, at the sole election of the Company, the Company may redeem all or part of the vested restricted share units by making a lump sum payment at the end of the applicable performance period pertaining to the restricted share units in respect of all restricted share units to be redeemed at such time, equal to the amount determined by multiplying the number of restricted share units that are vested on such vesting date by the Market Price (as defined in the Restricted Share Unit Plan) on such vesting date.
- Restricted share units will be evidenced by a written award notice provided by the Company to the applicable participant in the Restricted Share Unit Plan.
- The Board may, in its discretion, amend, suspend or terminate the Restricted Share Unit Plan, or any portion thereof, at any time without obtaining the approval of Shareholders, subject to those provisions of applicable law or the policies of Cboe Canada Inc., if any, that require the approval of Shareholders.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass the following ordinary resolution:

**"BE IT RESOLVED** as an ordinary resolution of the shareholders of Zefiro Methane Corp. (the "**Company**") that:

1. The restricted share unit plan (the "**Restricted Share Unit Plan**") of the Company, approve by the Board of Directors on November 8, 2024 and attached as Schedule C to the Circular of the Company dated November 9, 2024 be and is hereby confirmed, ratified and approved;
2. All unallocated awards, rights and other entitlements permitted under the Restricted Share Unit Plan are hereby approved and confirmed;
3. Any officer or director of the Company be, and each is hereby, authorized and directed, for and on behalf of the Company, to sign and execute all documents, to conclude any agreements and to do and perform

all acts and things deemed necessary or advisable in order to give effect to this resolution, including compliance with all securities laws and regulations; and

4. The Board of Directors of the Company be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution."

**The Board has determined that the above noted resolution is in the best interests of the Company and unanimously recommends that Shareholders vote "FOR" the above noted resolution to ratify and approve the Restricted Share Unit Plan. To pass, the above noted resolution must be approved by a majority of votes cast by Shareholders or represented by proxy at the Meeting.**

**In the absence of contrary instructions, the Management Proxyholders will cast the votes represented by any proxy or VIF "FOR" the approval of the above noted resolution.**

#### **8. Other Matters Which May Come Before the Meeting**

Management of the Company and the Directors know of no matters to come before the Meeting other than the matters referred to in the Notice. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **COMPENSATION OF EXECUTIVE OFFICERS**

#### **Introduction**

The following discussion describes the significant elements of our executive compensation program with particular emphasis on the process for determining compensation payable to the individuals considered to be "Named Executive Officers" (the "**NEOs**") of the Company under applicable securities laws.

The Company's NEOs for the year ended June 30, 2024 were:

- Talal Debs – Founder and Chief Executive Officer
- Elijah Dumaresq – Chief Financial Officer
- Tina Reine – Chief Commercial Officer
- Matthew Brooks – Head of Operations
- Luke Plants – President of Plants & Goodwin, Inc., a subsidiary of the Company

#### **Objectives of the Company's Current Executive Compensation Program**

The Company's compensation policies are founded on the principle that compensation should be aligned with shareholders' interests, while also recognizing that the Company's performance is dependent upon its ability to retain highly trained, experienced and committed directors, executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the business of the Company. The Company also recognizes that the various components of its compensation program must be sufficiently flexible

to adapt to unexpected industry developments and the impact of internal and market-related occurrences from time to time.

The Company's executive compensation program is comprised of base salary and incentive stock options which are designed to address the following key objectives:

- align compensation with shareholders' interests;
- attract and retain highly qualified management;
- focus performance by linking incentive compensation to the achievement of business objectives and financial and operational results; and
- encourage retention of key executives for leadership succession.

### **Determination of Compensation**

The aggregate value of these principal components and related benefits are used as a basis for assessing the overall competitiveness of the Company's executive compensation package. When determining executive compensation, including the assessment of the competitiveness of the Company's compensation program, management, the Board, and the Compensation and Corporate Governance Committee (the "**Compensation and Corporate Governance Committee**") rely on their concurrent and past experiences and collective knowledge. With that background, ultimate determinations as to executive compensation are based on (i) informal discussion among Board members, committee members and management, (ii) negotiation with the executive in question, and (iii) a view to what is in the best interests of the Company and its various stakeholders. The Company also does not employ any formal benchmarking procedures in determining executive compensation.

### **Compensation Governance**

The Board and its Compensation and Corporate Governance Committee are responsible for reviewing the compensation of the officers and directors of the Company. The total compensation from all sources, including fees, salary, annual performance bonus awards, short-term incentives and longer-term equity-based incentives, is considered in comparison to current market rates offered by companies in similar stages of development, regional geography and of similar size in terms of market capitalization and is intended to remain competitive in order to attract and retain talented and motivated individuals.

The compensation responsibilities of the Compensation and Corporate Governance Committee include, among other things: assisting the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives; assessing the market and benchmark against a comparative group to ensure that senior executives are being rewarded commensurate with their responsibilities; retain the services of compensation consultants or advisors to assist the Board and the Compensation and Corporate Governance Committee in benchmarking and determining executive compensation; setting policies for senior executives' remuneration; reviewing the salary levels of senior executives and making recommendations to the Board on any proposed increases; reviewing the Company's recruitment, retention and termination policies and procedures for senior management; reviewing and making recommendations to the Board on the Company's annual and long-term incentive plans.

The members of the Compensation and Corporate Governance Committee are currently Daryl Heald, Jonson Sun and Catherine Flax.

### **Compensation Risk**

The Board did not consider the implications of the risks associated with the Company's compensation practices; however, given the Company's size and nature of compensation provided to its executives in the last fiscal year, the Board does not view significant risk that would be likely to have a material adverse effect on the Company.

### Anti-Hedging Policies

The Company's NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by the NEO or director.

### Base Salary

The base salary component is intended to provide a fixed level of competitive pay that is established at the time when an officer, employee or consultant joins the Company. The Board periodically reviews compensation levels to determine if adjustments are necessary.

### Stock Option Plan and Option-Based Awards

The Company has adopted an Option Plan in order to provide effective incentives to eligible directors, officers, employees and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in Common Share value created for shareholders. The establishment of the Stock Option Plan and any revisions to the Option Plan are discussed between management, the Board, and the Compensation and Corporate Governance Committee. Previous grants are taken into account when considering new grants.

The Option Plan has been adopted by the Board, and stock options have and may continue to be granted under the Option Plan. But the Option Plan is subject to shareholder approval, and stock options granted under the Option Plan may not be exercised into Common Shares until the requisite shareholder approval is obtained. See "*Particulars of Matters to be Acted Upon at the Meeting – Approval of Stock Option Plan*" for further information regarding the Option Plan.

At the Meeting, Shareholders will also be asked to consider and, if deemed advisable, to approve an ordinary resolution ratifying, adopting and approving a new Restricted Share Unit Plan of the Company. See "*Particulars of Matters to be Acted Upon at the Meeting – Approval of Restricted Share Unit Plan*" for further information regarding the Restricted Share Unit Plan. If the Option Plan and the Restricted Share Unit Plan are approved by Shareholders at the Meeting, the Company intends to make an offer to each holder of stock options previously granted under the Option Plan to exchange such stock options for new restricted share units to be granted under the Restricted Share Unit Plan on the basis of one restricted share unit for each outstanding stock option.

### Summary Compensation Table

The following table sets out information concerning the compensation accrued to the Company's NEOs for the financial year ended June 30, 2024. The Company was not a reporting issuer for any financial years prior to 2024.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Talal Debs, CEO, Founder and Director <sup>(2)</sup>	2024	US\$310,587	Nil	US\$61,745	Nil	Nil	Nil	Nil	US\$372,332
Elijah Dumaresq, CFO <sup>(3)</sup>	2024	US\$113,264	Nil	US\$15,435	Nil	Nil	Nil	Nil	US\$128,699

Tina Reine, CCO	2024	US\$356,052	Nil	US\$92,617	Nil	Nil	Nil	Nil	US\$448,669
Matthew Brooks, Head of Operations	2024	US\$324,420	Nil	US\$46,309	Nil	Nil	Nil	Nil	US\$370,729
Luke Plants, President of Plants & Goodwin, Inc.	2024	US\$207,320	Nil	Nil	US\$199,992 <sup>(4)</sup>	Nil	Nil	Nil	US\$407,312

**Notes:**

(1) The fair value of the option-based awards was determined using the Black–Scholes pricing model with the following inputs: share price of \$0.42, exercise price of \$0.50, expected life of 5 years, 113% volatility, and 3.24% risk free rate. This is the same methodology used in the Company's financial statements. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.

(2) Mr. Debs is not compensated in his role as a director of the Company.

(3) Paid to Mr. Dumaresq through 1325118 B.C. Ltd.

(4) A discretionary cash bonus of US\$199,992 was paid to Mr. Plants.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth particulars of all outstanding option-based awards and share-based awards for each of the Company's NEOs as at June 30, 2024.

Name and Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in- the money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Talal Debs, CEO, Founder and Director <sup>(1)</sup>	584,720	0.50	September 28, 2027	US \$518,006	Nil	Nil	Nil
Elijah Dumaresq, CFO	146,180	0.50	September 28, 2027	US \$129,502	Nil	Nil	Nil
Tina Reine, CCO	877,080	0.50	September 28, 2027	US \$777,009	Nil	Nil	Nil
Matthew Brooks, Head of Operations	438,540	0.50	September 28, 2027	US \$388,505	Nil	Nil	Nil
Luke Plants, President of Plants & Goodwin, Inc.	Nil	-	-	Nil	Nil	Nil	Nil

**Notes:**

(1) The value of stock options was calculated by subtracting the exercise price of \$0.50 per stock option from the June 28, 2024 closing price of the Common Shares on the Cboe of \$1.70. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2024 for each NEO.

Name and Position	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Talal Debs, CEO, Founder and Director	US \$129,502	nil	nil
Elijah Dumaresq, CFO	US \$32,375	nil	nil
Tina Reine, CCO	US \$194,252	nil	nil
Matthew Brooks, Head of Operations	US \$97,126	nil	nil
Luke Plants, President of Plants & Goodwin, Inc.	Nil	Nil	Nil

**Notes:**

(1) The fair value of stock options was calculated by subtracting the exercise price of each stock option from the closing price of the Common Shares on the Cboe on the June 28<sup>th</sup>, 2024 vesting date. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.

**Pension Plan Benefits**

No pension plan, or retirement benefit or deferred compensation plans have been instituted by the Company and none are proposed at this time.

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

None of the Company's NEOs are entitled to any additional or special compensation or remuneration on the termination of their engagement with the Company.

**COMPENSATION OF DIRECTORS**

**Director Compensation Table**

The following table sets out information concerning the compensation accrued to the Company's directors for the financial year ended June 30, 2024.

Name <sup>(2)</sup>	Fees earned (\$)	Share- based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Catherine Flax	nil	nil	US\$21,611	nil	nil	nil	US\$21,611
Jonson Sun	US\$15,000	nil	US\$70,020	nil	nil	nil	US\$85,020
Daryl Heald	nil	nil	US\$21,611	nil	nil	nil	US\$21,611

**Notes:**

- (1) The fair value of the options was determined using the Black-Scholes pricing model with the following weighted average inputs: share price of \$0.56, exercise price of \$0.62, expected life of 5 years, 104% volatility, and 3.36% risk free rate. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.
- (2) Talal Debs is not compensated in his role as a director of the Company.



### **Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth particulars of all outstanding option-based awards and share-based awards for each of the Company's directors as at June 30, 2024:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Catherine Flax	204,652	\$0.50	September 28, 2027	US \$181,302	nil	nil	nil
Jonson Sun	200,000	\$1.00	July 13, 2028	US \$177,181	nil	nil	nil
	204,652	\$0.50	September 28, 2027	US \$181,302			
Daryl Heald	204,652	\$0.50	September 28, 2027	US \$181,302	nil	nil	nil

**Notes:**

(1) The value of stock options was calculated by subtracting the exercise price of each stock option from the June 28, 2024 closing price of the Common Shares on the Cboe of \$1.70. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2024 for each director of the Company.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Catherine Flax	US \$45,326	nil	nil
Jonson Sun	US \$61,395.60	nil	nil
Daryl Heald	US \$61,395.60	nil	nil

**Notes:**

- (1) The fair value of stock options was calculated by subtracting the exercise price of each stock option from the closing price of the Common Shares on the Cboe on the June 28, 2024 vesting date. Canadian dollar amounts were converted to US dollars, being the currency that the Company uses in its financial statements, using an exchange rate of US\$1.00 = \$1.3545473.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") establishes certain guidelines with respect to corporate governance matters such as the constitution of and the functions to be performed by the Company's Board. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

## **Board of Directors**

The Board is comprised of Talal Debs (Chair), Catherine Flax, Daryl Heald and Jonson Sun. Talal Debs is not considered to be independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). For the purposes of NI 52-110, a director is considered "independent" if, among other things, he or she has no direct or indirect material relationship with the Company. A material relationship is one which could, in the view of the Company's board, be reasonably expected to interfere with the exercise of a member's independent judgment. Talal Debs is not considered to be independent because he is the CEO and the Founder of the Company, and is also a control person of the Company through his own shareholdings and the shareholdings of XMST and X Machina Capital Strategies Fund I LP (of which he controls both entities). The other directors of the Board are independent, and a majority of the Board is independent.

To safeguard independence, the independent directors are encouraged to have open and frank discussions at the regularly scheduled meetings and, if necessary, require that the non-independent director(s) leave the meeting while such discussions are undertaken.

The Chair of the Board is Talal Debs, who is not an independent director. The Board believes it functions and can continue to function independently of management. The Board provides leadership for its independent directors through formal Board meetings, by encouraging the independent directors to bring forth agenda items, and by providing the independent directors with access to senior management, outside advisors, and information regarding the Company's activities. The Board and its committees may meet in the absence of management at their discretion and the Board and any committee or member of the Board may engage outside advisors at the expense of the Company in appropriate circumstances.

Since the beginning of its most recently completed financial year, the Company has held ten Board meetings, which were attended by all directors.

## **Board Mandate**

The Board's mandate includes, among other things, the following duties and responsibilities; setting the strategic plans of the Company and overseeing management's performance and the progress and development thereof; controlling and approving financial reporting, capital structures and material contracts; ensuring that a sound risk management system and internal controls are in place; and monitoring and overseeing the integrity of the corporate governance and disclosure practices of the Company. Every director is required to act honestly and in good faith and in the best interests of the Company and to exercise the care, diligence and skill of a reasonably prudent person. Responsibilities not delegated to senior management or to a committee of the Board remain those of the full Board. A copy of the Board's mandate is attached to this Circular as Schedule D.

## **Position Descriptions**

The role of the Chair of the Board is to preside over all meetings of the Board and lead the Board in regularly reviewing and assessing the adequacy of its mandate and its effectiveness in fulfilling its mandate. The Company's Audit Committee and Compensation and Corporate Governance Committee do not have a chair, but each are comprised of only independent directors, which helps ensure that the views of such independent directors are effectively presented. Each committee member is encouraged to regularly review and assess the adequacy of the committee mandate and the committee's effectiveness in fulfilling its mandate, and report to the Board with respect to the activities the committee.

There is no written position description for the CEO developed between the Board and the CEO. The Board expects the CEO and the management team to be responsible for management of the Company's strategic and operational agenda and for executing on the decisions of the Board. The Board expects to be advised on a regular basis as to the results being achieved, and to be presented for approval, alternative plans and strategies, in keeping with evolving business conditions. In addition to those matters which by law and the Company's constating documents must be approved by the Board, the prior approval of the Board, or of a committee of the Board to which approval authority has been delegated by the Board, is required for all matters of policy and all actions proposed to be taken by the Company which are not in the ordinary course of its operations or the approval of which has been delegated.

### **Other Directorships**

The directors of the Company are presently directors of other reporting issuers, as follows:

Name	Name of Reporting Issuer	Exchange	Position(s)
Catherine Flax	Abaxx Technologies Inc.	Cboe Canada	Director
	Base Carbon Inc.	Cboe Canada	Director
Jonson Sun	Hire Technologies Inc.	TSXV	Director
	Emerge Commerce Ltd.	TSXV	Director

### **Orientation and Continuing Education**

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. The written materials will also include information regarding role of the Board, its committees and its directors. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

Management of the Company will, from time to time, provide presentations to the Board to give directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Company's Code of Business Conduct and Ethics (defined here as the "**Code**") governs the conduct for directors, officers and employees. A copy of the Code can be obtained by contacting the Company at its registered and records office. The Board expects management to report to the Board regarding any breaches or concerns with respect to the foregoing which are of a material nature, whether or not a satisfactory resolution was already implemented by management, or of which management is aware that are reasonably likely to arise in the foreseeable future and which would be of a material nature. Breaches of the Code can also be reported to the Board. The Company also has in place a Corporate Disclosure Policy and the ESG Policy.

### **Nomination of Directors**

The Company has a Compensation and Corporate Governance Committee, which is charged with reviewing, overseeing and evaluating the Company's compensation, corporate governance and nominating policies. The Compensation and Corporate Governance Committee is composed of three members, Daryl Heald, Jonson Sun and Catherine Flax, all of whom are independent directors, which encourages an objective nomination process.

The Board and its Compensation and Corporate Governance Committee assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives in the Company's industry are consulted for possible candidates. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board encourages an objective nomination process by consulting all members of the Board,

as well as representatives in the Company's industry. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The nomination responsibilities of the Compensation and Corporate Governance Committee include, among other things: ensuring an appropriate Board selection process takes place in searching for and selecting new directors; developing criteria for Board membership and identifying the factors taken into account in the selection process; identifying and screening candidates for nomination to the Board having regard to any gaps in the skills, experience of the directors on the Board and ensuring that a diverse range of candidates is considered; making recommendations to the Board for committee membership; and ensuring there is an appropriate Board succession plan in place to maintain an appropriate mix of skills, experience, expertise and diversity on the Board.

### **Compensation**

The Board and its Compensation and Corporate Governance Committee are responsible for reviewing the compensation of the officers and directors of the Company and is composed of all independent Directors. The total compensation from all sources, including fees, salary, annual performance bonus awards, short-term incentives and longer-term equity-based incentives, is considered in comparison to current market rates offered by companies in similar stages of development, regional geography and of similar size in terms of market capitalization and is intended to remain competitive in order to attract and retain talented and motivated individuals.

The compensation responsibilities of the Compensation and Corporate Governance Committee include, among other things: assisting the Board in fulfilling its responsibilities in respect of establishing appropriate

### **Majority Voting Policy**

The Company has adopted a majority voting policy which requires that any nominee for director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the Board following the meeting of shareholders at which the directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors being elected.

The Board considers the resignation, and whether or not it should be accepted. In doing so, the Board considers any stated reasons as to why shareholders withheld votes from the election of the relevant director, the qualifications of the director, the director's length of service and past and anticipated contributions to the Company, and the overall composition of the Board. The nominee shall not participate in any committee or Board deliberations pertaining to the consideration of the resignation. Within 90 days of the date of the shareholders' meeting at which the election occurred, the Board will make a decision concerning the offer to resign. The Board shall disclose its election decision in a press release. If a resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation.

### **Other Board Committees**

The only Board committees of the Company are the Audit Committee and the Compensation and Corporate Governance Committee.

### **Assessments**

The Board annually reviews its own performance and effectiveness. Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other directors, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

#### **Director Term Limits and Other Mechanism of Board Renewal**

The Company has not adopted term limits for its directors or other formal mechanisms for Board renewal. In doing so, the Company considered a number of factors, including the significant advantages associated with the continued involvement of long-serving directors who have gained a deep understanding of the Company's projects, operations and objectives during their tenure; the experience, corporate memory and perspective of such directors; the professional experience, areas of expertise and personal character of members of the Board; and the current needs and objectives of the Company. The Company reviews the size, composition and performance of Board members, and makes recommendations for appointment, removal of directors or other adjustments as appropriate on regular basis.

#### **Policies Regarding the Representation of Women on the Board**

The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspective on the Board and understands that the ability to draw on a wide range of viewpoints, backgrounds, skills and experience is critical to its success. While the Company has not adopted formal policies regarding the representation of women on the Board, the Company considers diversity to be an important consideration for the selection process.

The Company is committed to promoting a culture that is supportive of diversity, including encouraging female participation across a range of roles across the Company, but it not adopted a written policy relating to the identification and nomination of women directors. At the Company's current stage of development, while gender diversity is taken into account, the primary focus of the Board and the Compensation and Corporate Governance Committee is the identification and selection of directors who have the expertise and skills related to the end-of-life well solutions and the carbon capture industries. As the size and scale of the Company continues to grow, the Board expects to adopt policies to achieve gender diversity as director positions become vacant and appropriately qualified candidates become available.

#### **Representation of Women in the Director Identification and Selection Process and in Executive Officer Appointments**

The Company currently has no formal targets for diversity representation due to the size and stage of development of the Company. While the Board and the Compensation and Corporate Governance Committee monitors the level of female representation on the Board and in management positions and, where appropriate, recruits qualified female candidates as part of the Company's overall recruitment and selection process to fill Board or management positions as the need arises, through vacancies, growth or otherwise, the primary focus for recruiting is the identification and selection of directors and executives who have the expertise and skills in the specialized industries the Company operates in.

#### **Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Company has not adopted specific targets for women's representation on the Board and in executive positions due to the Company's size and level of development. However, as part of the Company's desire to facilitate gender diversity on the Board and in management roles, the Company:

- considers impediments to gender diversity in the workplace;
- regularly reviews the proportion of women at all levels of the Company;
- monitors the effectiveness of, and continues to expand on, existing initiatives designed to identify, support and develop talented women with leadership potential; and

- continues to identify new ways to entrench diversity as a cultural priority across the organization.

#### **Number of Women on the Board and in Executive Positions**

As of the date hereof, the Company has one female director out of four directors (25%) and one female executive officer out of four (25%).

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

The following is a summary of the securities authorized for issuance under the equity compensation plans of the Company as at June 30, 2024:

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)<sup>(1)</sup></b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)<sup>(2)</sup></b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by Shareholders	-	-	-
Equity compensation plans not approved by Shareholders	4,724,634	\$0.66 (US\$0.51)	8,407,266 <sup>(3)</sup>
<b>Total</b>	<b>4,724,634</b>	<b>\$0.66 (US\$0.51)</b>	<b>8,407,266</b>

**Notes:**

- (1) The Option Plan has been adopted by the Board, and stock options have and may continue to be granted under the Option Plan, but the Option Plan is subject to shareholder approval, and stock options granted under the Option Plan may not be exercised into Common Shares until the requisite shareholder approval is obtained.
- (2) Exercise price of Options issued under the Option Plan.
- (3) This number reflects the aggregate number of securities remaining available for future issuance under the Option Plan.

For details of key features of the Option Plan, see “*Particulars of Matters to be Acted Upon at the Meeting – Approval of Stock Option Plan*” above.

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

As of the date hereof, there was no indebtedness owing to the Company from any of its Directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

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

To the knowledge of the Directors, no Director or executive officer of the Company at any time since the beginning of the Company’s last completed financial year, no proposed nominee for election as a Director nor any associate of any such Director, executive officer or nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of Directors and the approval of the Option Plan and Restricted Share Unit Plan.

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

Except as disclosed in the Company's continuous disclosure documents filed under the Company's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), no informed person (as such term is defined under securities laws) of the Company, proposed Director of the Company or any associate or affiliate of any informed person or proposed Director has or had a material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### **AUDIT COMMITTEE INFORMATION**

Reference is made to the Annual Information Form of the Company for financial year ended 2024 for disclosure of information relating to the Audit Committee required under Form 52-110F1 to National Instrument 52-110 – Audit Committees. A copy of this document can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) or by contacting the Company upon request by email at [investor@zeфирomethane.com](mailto:investor@zeфирomethane.com).

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found by visiting the Company's website at: <https://www.zeфирomethane.com/investors/overview/>. In addition, more information, including additional financial information which is provided in the MD&A and Financials, can be found on SEDAR+ by visiting [www.sedarplus.com](http://www.sedarplus.com). Shareholders may contact the Company to request a copy of the MD&A and Financials. Any such request should be directed to the Company at:

Zefiro Methane Corp.  
2501 - 550 Burrard Street, Vancouver  
British Columbia, V6C 2B5

Email: [investor@zeфирomethane.com](mailto:investor@zeфирomethane.com)

### **DIRECTORS' APPROVAL**

The contents of this Circular and the delivery thereof to the applicable Shareholders, the Directors and the auditors of the Company has been approved by the Board.

**DATED** the 8<sup>th</sup> of November, 2024.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Talal Debs"*

Talal Debs

**SCHEDULE "A"**

**ADVANCE NOTICE POLICY**





## **ADVANCE NOTICE POLICY**

(Adopted by the Board of Directors with immediate effect on November 8, 2024)

**Zefiro Methane Corp.**  
(the “**Company**”)

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### **INTRODUCTION**

The Company is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Company after having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (the “**Policy**”) is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. This Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual general meeting or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual general meeting or special meeting of shareholders.

It is the position of the board of directors of the Company (the “**Board**”) that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This policy will be subject to annual review by the Board, which shall revise the Policy, if required, to reflect changes by securities regulatory authorities or applicable stock exchanges, or to address changes in industry standards from time to time as determined by the Board.

### **NOMINATIONS OF DIRECTORS**

1. Nominations of persons for election to the Board may be made at any annual meeting of shareholders of the Company, or at any special meeting of shareholders of the Company if one of the purposes for which the special meeting is called is the election of directors. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the “**Act**”), the articles of the Company and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. At any such

annual or special meeting of shareholders of the Company, nominations of persons for election to the Board may be made only:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a valid “proposal” as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
  - (c) pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or
  - (d) by any person (a “**Nominating Shareholder**”) who at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Policy and at the close of business on the record date fixed by the Company for notice of such meeting (i) is a “registered owner” (as defined in the Act) of one or more shares of the Company carrying the right to vote at such meeting, or (ii) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Company acting reasonably, and, in either case, complies with the notice procedures set forth below in this Policy. In cases where a Nominating Shareholder is not an individual, the notice referred to in this paragraph 1(d) must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Company, acting reasonably.
2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Secretary of the Company at the principal executive offices of the Company.
3. To be timely, a Nominating Shareholder’s notice to the Secretary of the Company must be given:
- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
  - (b) in the case of a special meeting (that is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not

called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of shareholders was given.

In the event of an adjournment or postponement of a meeting of shareholders or the announcement thereof, any reference to the date of an annual general meeting of shareholders or a special meeting in this paragraph 3 shall be deemed to refer to the date of the adjourned or postponed meeting.

4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the Secretary of the Company, and must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Company which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) the amount and material terms of any other securities, including any options, warrants or convertible securities which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (vi) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; (vii) a statement that the person is not prohibited or disqualified from acting as a director of the Company under the Act, Applicable Securities Laws (as defined below) or any other applicable law; and (viii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

Such Nominating Shareholder's notice must be accompanied by a written consent to act as a director of the Company as required under section 123 of the Act, duly signed by the person being nominated for election as a director. In addition to the foregoing, the Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee. As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Company shall publish the details of such notice through a public announcement.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or at the discretion of the Chair of the meeting. The Chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy and, if the Chair of the meeting determines that any proposed nomination is not in compliance with this Policy, to make a final and conclusive declaration that such defective nomination shall be disregarded.
6. For purposes of this Policy:
  - (a) **"Applicable Securities Laws"** means, collectively, the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the applicable published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States;
  - (b) **"business day"** means any day other than Saturday, Sunday or any statutory holiday in the City of Vancouver, British Columbia, Canada; and
  - (c) **"public announcement"** means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval+ at [www.sedarplus.com](http://www.sedarplus.com).
7. Notwithstanding any other provision of this Policy, notice given to the Secretary of the Company pursuant to this Policy may only be given by personal delivery or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to

have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Pacific Time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board on November 8, 2024 (the “**Effective Date**”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by ordinary resolution of shareholders of the Company present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

### **GOVERNING LAW**

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.

**SCHEDULE "B"**

**STOCK OPTION PLAN**

## **ZEFIRO METHANE CORP.**

### **STOCK OPTION PLAN**

#### **1. Purpose of the Plan**

The purpose of this Stock Option Plan is to provide directors, officers, employees, and consultants of the Company and any Subsidiary with an opportunity to purchase Common Shares and to benefit from any appreciation in the value of the Common Shares. The Plan will provide an increased incentive for those individuals to contribute to the Company's future growth, success, and prosperity, thus enhancing the value of the Common Shares for the benefit of all of the Company's shareholders and increasing the ability of the Company and any Subsidiary to attract and retain skilled and motivated individuals in the service of the Company.

#### **2. Defined Terms**

Where used in this Plan, the following terms have the following meanings:

- (a) **"Act"** means the *Securities Act* (British Columbia), as amended from time to time;
- (b) **"Board"** means the Company's board of directors, as constituted from time to time;
- (c) **"Change of Control"** means the occurrence of any one or more of the following:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any Subsidiary of the Company and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation upon completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any Subsidiary of the Company which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries, on a consolidated basis, to any other person, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its Subsidiaries;
  - (iii) a resolution is passed to wind-up, dissolve or liquidate the Company;
  - (iv) a Take-over Proposal;
  - (v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any Subsidiary of the Company and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board cease to constitute a majority of the Board; or

- (vi) the Board passes a resolution to the effect that a Change of Control, as defined herein, has occurred or is imminent.
- (d) “**Common Shares**” means the Company’s common shares or, if there is an adjustment as contemplated by section 10 of the Plan, any other common shares to which a Participant may be entitled on the exercise of an Option as a result of that adjustment;
- (e) “**Company**” means “Zefiro Methane Corp.” and includes any successor company;
- (f) “**Consultant**” means an individual or Consultant Company, other than an Employee, Officer or Director, that is:
  - (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Company or to a Subsidiary, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or the Subsidiary and the individual or the company, as the case may be;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary; and
  - (iv) has a relationship with the Company or a Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company;
- (g) “**Consultant Company**” means for an individual Consultant, a company or partnership of which such individual is an employee, shareholder or partner;
- (h) “**Director**” means a director of the Company or a Subsidiary;
- (i) “**disinterested shareholder approval**” means approval given by a majority of the votes attaching to Common Shares, other than votes attaching to Common Shares beneficially owned by shareholders who are related persons to whom Options may be granted under this Plan;
- (j) “**Employee**” means an individual who:
  - (i) is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) works full-time for the Company or a Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) works for the Company or a Subsidiary on a continuing and regular basis, providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;



- (k) **“Exchange”** means Cboe Canada Inc. or, if the Common Shares are not then listed and posted for trading on Cboe Canada Inc., the most senior stock exchange in Canada on which the Common Shares are listed and posted for trading;
- (l) **“Exchange Policies”** means the Listing Manual and any policies of the Exchange, and includes any forms required under Exchange Policies;
- (m) **“Exercise Price”** means the price per share at which a Participant may purchase Common Shares under an Option, as that price may be adjusted in accordance with section 10 of the Plan;
- (n) **“Expiry Date”** means the date by which a Participant must exercise an Option as determined pursuant to section 8 of the Plan;
- (o) **“Market Price”** means, subject to the Exchange Policies prescribed from time to time, the greater of the closing market price of the Common Shares on (i) the trading day prior to the date of grant of Options, and (ii) the date of grant of Options;
- (p) **“NI 45-106”** means National Instrument 45-106 – *Prospectus Exemptions*;
- (q) **“Officer”** means a senior officer (as that term is defined in the Act) of the Company or a Subsidiary;
- (r) **“Option”** means an option to purchase Common Shares granted by the Board to Participants, subject to the provisions contained in the Plan;
- (s) **“Participants”** means, subject to all applicable laws, Directors, Officers, Employees, Consultants of the Company or any Subsidiary and any companies of which all of the voting securities are beneficially owned by one or more of the foregoing or of, to whom Options are granted and which Options or a portion of them remain unexercised;
- (t) **“Plan”** means the Company’s Stock Option Plan, as amended or varied from time to time;
- (u) **“related person”** means:
  - (i) a director or executive officer of the Company or of a related entity of the Company;
  - (ii) an associate of a director or executive officer of the Company or of a related entity of the Company; or
  - (iii) a permitted assign of a director or executive officer of the Company or of a related entity of the Company;
- (v) **“Share Compensation Arrangement”** means any share option, stock option plan, restricted share unit plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Employees or Consultants of the Company or any Subsidiary;
- (w) **“Subsidiary”** means any company that is controlled by the Company; and
- (x) **“Take-Over Proposal”** mean:
  - (i) bona fide offer for Common Shares from any person or group of persons acting

jointly or in concert, to a Participant or to shareholders generally or to a class of shareholders that includes a Participant, which offer, if accepted in whole or in part, would result in that person having the right to exercise 20% or more of the voting rights attached to all of the Company's outstanding voting securities or the right to elect or appoint, directly or indirectly a majority of the Company's directors; or

- (ii) a "takeover-bid", as such term is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

### **3. Administration of the Plan**

The Board will administer the Plan. The Board may, from time to time, adopt, amend, and rescind rules and regulations for administering the Plan that it deems proper, in the Company's best interests, and consistent with the Plan's provisions. The Board also may, subject to applicable law, delegate its powers to administer the Plan to a committee of the Board duly appointed for this purpose. Any committee will report to the Board the names of Participants to whom Options are granted under the Plan, the number of Common Shares subject to the Options, and the terms and conditions of each Option.

The Board may from time to time establish sub plans under the Plan for purposes of satisfying securities, tax or other laws of various jurisdictions in which the Company intends to grant Options. Any sub plans shall contain such limitations and other terms and conditions as the Board determines are necessary, desirable, or appropriate. All sub plans shall be deemed a part of the Plan, but each sub plan shall apply only to the Participants in the jurisdiction for which the sub plan was designed.

### **4. Shares Issuable Under Plan**

The aggregate number of Common Shares issuable under (a) the Plan, (b) Share Compensation Arrangement and (c) any unexercised incentive stock options previously granted by the Company other than under the Plan must not exceed, that number of Common Shares, subject to adjustment in accordance with section 10 of the Plan, being a number equal to 20% of the issued and outstanding Common Shares of the Company as of the date of its listing on the Exchange, which was 13,131,900 Common Shares.

If Options granted under the Plan are surrendered, terminated or cancelled, or expire without being exercised in whole or in part, the Common Shares reserved for issuance but not purchased under the Options will be available for subsequent Options to be granted under the Plan. No fractional Common Shares may be purchased or issued under the Plan.

### **5. Granting of Options**

The Board may, from time to time in its discretion and subject to the provisions of the Plan, grant Options to Participants under the Plan and determine:

- (a) the individuals eligible to be Participants and to whom Options will be granted;
- (b) the number of Common Shares subject to the Options;
- (c) the dates on which Options are to be granted;
- (d) the Exercise Price;
- (e) the Expiry Dates of the Options; and
- (f) all other terms and conditions of the Options, including vesting provisions, if any.

The grant of Options will be subject to the conditions contained in the Plan and may be subject to additional conditions determined by the Board from time to time.

Each Option will be evidenced by a written agreement between and signed by the Company and the Participant (an “**Option Agreement**”). Each Option Agreement will contain:

- (a) if applicable, a representation of the Company and the Participant that the Participant is a *bona fide* Employee or Consultant, as the case may be, and
- (b) terms and conditions that are established by the Board and consistent with the Plan’s provisions.

#### **6. Limits on Option Grants**

In order to rely on the exemption in section 2.24 of NI 45-106, the Company must obtain disinterested shareholder approval if the Plan, together with the Company’s previously established and outstanding stock option plans or grants, could result at any time in:

- (a) the number of Common Shares reserved for issuance under Options granted to related persons exceeding 10% of the Company’s issued Common Shares;
- (b) the grant to related persons, within a 12 month period, of a number of Options exceeding 10% of the Company’s issued Common Shares calculated at the date an Option is granted;
- (c) the number of Common Shares reserved for issuance under Options granted to any one related person exceeding 5% of the Company’s issued Common Shares; or
- (d) the issuance to any one related person, within a 12 month period, of a number of Common Shares exceeding 5% of the Company’s issued Common Shares calculated at the date an Option is granted.

Before obtaining disinterested shareholder approval under this section, the Company must provide shareholders with the following information:

- (a) the eligibility of Participants to be granted Options under the Plan;
- (b) the number of Common Shares that may be issued on exercise of the Options under the Plan;
- (c) particulars relating to any financial assistance or support agreement to be provided to Participants by the Company to facilitate the purchase of Common Shares under the Plan, including whether the assistance or support is to be provided on a full-, part-, or non-recourse basis;
- (d) the maximum term and the basis for the determination of the Exercise Price of the Options being granted;
- (e) particulars relating to the Options to be granted under the Plan, including transferability; and

- (f) the number of votes attaching to Common Shares that, to the Company's knowledge at the time the information is provided, will not be included for the purpose of determining whether disinterested shareholder approval has been obtained.

**7. Exercise Price**

The Exercise Price will be fixed by the Board when the Option is granted and shall not be lower than Market Price.

**8. Term of Option**

An Option must be exercised within a term set by the Board at the time of grant, such term not to exceed 10 years from the date of grant of the Option.

**9. Exercise of Option**

Subject to the provisions of the Plan and the terms of the Option Agreement, a Participant or a Participant's legal personal representative may exercise an Option or a portion thereof from time to time by giving written notice to the Company at its head office as set forth on the Company's profile on [www.sedar.com](http://www.sedar.com) or such other place as may be specified by the Company, which notice must be addressed to the Company and signed by the Participant or the Participant's legal personal representative. This notice must state the intention of the Participant or the Participant's legal personal representative to exercise the Option or a portion thereof and the number of Common Shares for which the Option is being exercised, and must be accompanied by payment in full of the Exercise Price for each of the Common Shares being purchased, in cash or by certified cheque or bank draft payable to the Company.

**10. Adjustment in Shares**

If the Company's authorized share capital as presently constituted is consolidated into a lesser number of Common Shares or subdivided into a greater number of Common Shares, the number of Common Shares issuable under the Plan and the number of Common Shares for which Options are outstanding will be decreased or increased proportionately, as the case may be, and the Exercise Price will be adjusted accordingly. If the Company amalgamates or merges with any other company or companies (the right to do so being hereby expressly reserved) whether by way of arrangement, sale of assets and undertaking, or otherwise, then the number of shares of the resulting company to which an Option relates will be determined as if the Option had been fully exercised before the effective date of the amalgamation or merger and the Exercise Price will be correspondingly increased or decreased, as applicable.

**11. Assignability of Options**

An Option granted to a Participant hereunder is non-assignable and non-transferable, and, except in the case of a Participant's death (which is addressed in section 13), only a Participant to whom an Option has been granted may exercise that Option; provided that, subject to the prior approval of the Board and the Exchange, a Participant may assign an Option to a company of which all of the voting securities are beneficially owned by the Participant, which ownership will continue for as long as any portion of the Option remains unexercised.

**12. Vesting**

Subject to the discretion of the Board, the Options granted to a Participant under this Plan will fully vest on the date of grant of such Options.

**13. Termination**

- (1) If a Participant is an Employee or Consultant and is neither a Director nor Officer and ceases to be an Employee or Consultant by reason of termination of employment or engagement for cause or resignation, all Options held by such Participant will terminate on the effective date of the Participant ceasing to be an Employee or Consultant for that reason.
- (2) If a Participant is a an Officer and ceases to be an Officer by reason of termination of their employment or engagement for cause, all Options held by such Participant will terminate on the effective date of the Participant ceasing to be an Officer for that reason.
- (3) If a Participant is a Director, Officer or Employee and ceases to be a Director, Officer or Employee by reason of his resignation or removal as a Director, Officer or Employee following a Change of Control or takeover of any kind of the Company (whether by way of reverse takeover, formal bid, or in any other manner whatsoever), the Options held by such Participant will terminate on the earlier of (a) the Expiry Date, and (b) the date that is 12 months after the effective date of the Participant's resignation or removal.
- (4) If a Participant dies, the Participant's personal representative will have the right to exercise in whole or in part any unexercised portion of the Options held by such Participant at any time until the earlier of (a) the Expiry Date and (b) the date that is 12 months after the date of the Participant's death.
- (5) If a Participant is a Director, Officer, Employee or Consultant and ceases to be a Director, Officer, Employee or Consultant for any reason other than as set out in subsections (1), (2), (3), or (4), the Options held by such Participant will terminate on the earlier of (a) the Expiry Date and (b) the date that is no longer than 12 months after the effective date of the Participant ceasing to be a Director, Officer, Employee or Consultant, as such time period is set out in the certificate or agreement representing that Participant's Options, or any termination communication respecting that Participant's ceasing to be a Director, Officer, Employee or Consultant.
- (6) If a Participant is a Consultant or an Employee providing investor relations services to the Company or any Subsidiary and is neither a Director nor an Officer, the Options held by such Participant will terminate on the earlier of (a) the Expiry Date and (b) the date that is 30 days after the date on which the Participant ceases to provide such investor relations services to the Company or any Subsidiary.
- (7) If a Participant ceases to be one type of Participant (i.e., Director, Officer, Employee, Consultant, or a company 100% beneficially owned by one of them) but concurrently is or becomes one or more other type of Participant, the Options held by such Participant will not terminate but will continue in full force and effect and the Participant may exercise the Options until the earlier of (a) the Expiry Date and (b) the date that the Participant ceases to be any type of Participant pursuant to this section 13.
- (8) Options will not be affected by any change of a Participant's employment where the Participant continues to be employed by the Company or any Subsidiary.
- (9) The Plan does not confer on a Participant any right to continue in the employ of or association with the Company or any Subsidiary, nor does it interfere in any way with the right of a Participant or the Company or any Subsidiary to terminate that Participant's employment at any time.

**14. Decisions of the Board**

All decisions and interpretations of the Board regarding the Plan or Options granted hereunder will be conclusive and binding on the Company and the Participants and their respective legal personal representatives and on all Directors, Officers, Employees, Consultants, and other persons eligible to participate in the Plan.

**15. Effect of Change of Control or Take-Over Proposal**

- (1) In the event of a Change of Control then immediately all unvested Options will become vested and exercisable, despite any vesting schedule applicable to any unexercised Options.
- (2) In the event of a Take-over Proposal:
  - (a) immediately all unvested Options will become vested and exercisable despite any vesting schedule applicable to any unexercised Options;
  - (b) the Company will give each Participant currently holding an Option written notice (the “**Notice**”) of:
    - (i) the Take-Over Proposal, with full particulars thereof; and
    - (ii) the number of Options eligible for exercise by the Participant.

Following the Notice, a Participant may exercise his Options in whole or in part so as to permit each Participant to tender the Common Shares received on exercise (the “**Optioned Shares**”) pursuant to the Take-Over Proposal. If:

- (a) the Take-Over Proposal is not completed within the time specified in the Take-Over Proposal;
- (b) the Participant does not tender the Optioned Shares pursuant to the Take-Over Proposal; or
- (c) the offeror does not take up and pay for all of the Optioned Shares tendered by the Participant pursuant to the Take-Over Proposal,

then the Participant will return to the Company the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, and the Company will reinstate the Optioned Shares as authorized but unissued Common Shares and the terms of the Option, including any vesting schedule, as set forth in the Plan and the Option Agreement will again apply to the Option. If a Participant returns any Optioned Shares to the Company under this section 15, the Company will refund the Exercise Price to the Participant for those Optioned Shares. The Participant will not be entitled to sell the Optioned Shares except pursuant to the Take-Over Proposal.

**16. Amendment or Discontinuance of Plan**

The Board may amend or discontinue the Plan at any time without the consent of the Participants provided that the amendment does not alter or impair any Option previously granted under the Plan except as permitted by the provisions of section 10 of the Plan. Any amendment of the Plan may require the prior approval of the Exchange and may require the approval of the Company’s shareholders.

**17. Amendment or Cancellation of Options**

The terms and conditions of Options may not be amended once issued, but the Board may cancel Options held by a Participant prior to the Expiry Date and grant new Options to the same Participant with amended terms and conditions, if (a) the Company posts notice of the cancellation and (b) the Company does not grant such new Options to the Participant until at least three (3) months have elapsed since the date of cancellation of the original Options. The terms and conditions of any new Options granted under this section must be consistent with the provisions of the Plan and any Exchange Policies.

**18. Securities Regulation**

The Company's obligation to authorize, issue, and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws and the receipt of all regulatory approvals that the Company or its counsel determines to be necessary or advisable in connection with the authorization, issuance, or delivery;
- (b) the listing of those Common Shares on any stock exchange on which the Common Shares may then be listed; and
- (c) the receipt from a Participant of any representations, warranties, agreements, and undertakings as to future dealings in Common Shares purchased under any Option that the Company or its counsel determines to be necessary or advisable to safeguard against the violation of the securities laws of any jurisdiction.

The Company will take all reasonable steps to obtain any authorizations, approvals, and registrations that may be necessary for the issuance of Common Shares under any Option in compliance with applicable securities laws and for the listing of those Common Shares on any stock exchange on which the Common Shares are then listed.

The inability of the Company to obtain any authorizations, approvals, or registrations necessary for the lawful issuance of any Common Shares under any Option deemed reasonable by the Board will relieve the Company, the Board, and any committee of the Board of any liability in respect of the non-issuance of the Common Shares for which the required authorizations, approvals, or registrations were not obtained.

Common Shares issued and sold to Participants pursuant to the exercise of Options may be legended, subject to limitations on sale or resale and subject to hold periods under applicable securities laws.

**19. Participant's Rights**

A Participant will not have any rights as a shareholder of the Company until the Company issues to him, her or it the Common Shares on the exercise of an Option or a portion of it, whether such issuance is evidenced by a physical share certificate or by an electronic, book-based entry only, and then only regarding the Common Shares represented by such issuance

**20. Exchange Requirements**

The grant of Options under the Plan is subject to compliance with all conditions imposed by the Exchange. The Company must post notice of any grants of Options in accordance with Exchange Policies.

The grant of any Options in reliance on the exemption under section 2.24 of NI 45-106, must be subject to a hold period of four months commencing on the date of issuance of the Options.

**21. Withholdings**

Notwithstanding any other provisions contained herein, in connection with the exercise of an Option by a Participant from time to time, as a condition to such exercise (i) the Company shall require such Participant to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions (the “**Applicable Withholdings and Deductions**”) relating to the exercise of such Options; or (ii) in the event a Participant does not pay the amount specified in (i), the Company shall be permitted to engage a broker or other agent, at the risk and expense of the Participant, to sell an amount of underlying Common Shares issuable on the exercise of such Option and to apply the cash received on the sale of such underlying Common Shares as necessary so as to ensure that the Company is in compliance with the Applicable Withholdings and Deductions relating to the exercise of such Options. In addition, the Company shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company is in compliance with Applicable Withholdings and Deductions relating to the exercise of such Options.

**22. No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the Plan’s provisions.

**23. Effective Date and Shareholder Approval**

The Plan will become effective upon the Board approving and adopting the Plan, subject to approval by the shareholders of the Company. Prior to obtaining shareholder approval, the Company may grant Options under the Plan, provided that no exercise of such Options may occur until shareholder approval of the Plan is obtained.

Plan approved by the Company’s Board effective August 4, 2023, as amended January 15, 2024 and November 8, 2024.

*“Talal Debs”*

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Talal Debs  
Chief Executive Officer, Director & Chair of the  
Board



**Zefiro Methane Corp.**

**Stock Option Plan**

**U.S. Sub Plan**

**(For U.S. Participants Only)**

**1. Special Provisions for U.S. Participants**

This U.S. Sub Plan (the “**U.S. Sub Plan**”) to the Zefiro Methane Corp. Stock Option Plan (the “**Plan**”) shall apply only to Participants who are citizens or residents of the United States as of the date of the grant of Options (“**U.S. Participants**”). This U.S. Sub Plan shall be deemed to be part of the Plan and all of the provisions of the Plan shall apply to this U.S. Sub Plan, and where any terms of this U.S. Sub Plan are in conflict with the Plan, the terms of the Plan shall control.

Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by applicable laws, the following terms shall apply to all Options granted to U.S. Participants.

This U.S. Sub Plan applies to the grants of any Options of the Company under the Plan. The purpose of this U.S. Sub Plan is to establish certain rules and limitations applicable to Options that may be granted or issued under the Plan from time to time, in compliance with the United States federal income taxation applicable laws currently in force in the United States. Except as otherwise provided by this U.S. Sub Plan, all grants made pursuant to this U.S. Sub Plan shall be governed by the terms of the Plan.

**2. Definitions**

Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Plan. The following additional definitions will apply to grants made pursuant to this U.S. Sub Plan:

- (a) “**Code**” means the United States Internal Revenue Code of 1986, as amended.
- (b) “**Fair Market Value**” with respect to a Common Share as of any given date, (a) if the Common Shares are traded on a securities exchange, the closing sales prices of a share of Common Shares as reported by the exchange on such date, or if shares were not traded on such date, then on the next preceding date on which a trade occurred; or (b) if the Common Shares are not traded on a securities exchange, the fair market value of a share of Common Shares as set forth in the most recent independent appraisal thereof, or as otherwise established by the Board acting in good faith based on a reasonable valuation method that the Board determines is consistent with the requirements of Section 409A of the Code and all other applicable rules and regulations.
- (c) “**ISO**” means any Option granted to a U.S. Participant intended to be, and designated as, an “Incentive Stock Option” within the meaning of Section 422 of the Code. Subject to adjustment under Section 10 of the Plan, the maximum number Common Shares that may be issued upon the exercise of ISOs under the Plan is 13,131,900 Common Shares.
- (d) “**NSO**” means any Option granted to a U.S. Participant that is not an ISO.

- (e) **“Ten Percent Shareholder”** means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Subsidiaries.

### **3. Eligibility**

The Board may at any time and from time to time grant Options to U.S. Participants under this U.S. Sub Plan; provided, however, that ISOs may only be granted to individuals who are employees within the meaning of Section 422 of the Code of the Company or a Subsidiary that is a “related corporation” within the meaning of U.S. Treas. Reg. Sec. 1.421-1(i)(2).

### **4. U.S. Awards Provisions**

Each grant of Options to a U.S. Participant shall be separately designated in the Option Agreement as either ISOs or NSOs at the time of grant. The Exercise Price for any Options granted to a U.S. Participant will be determined by the Board, subject to applicable law, and will not be less than 100% of the Fair Market Value on the date of grant. However, a Ten Percent Shareholder shall not be granted an ISO unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant. For purposes of Sections 409A and 422 of the Code, the date of grant of an Option granted to a U.S. Participant shall be the date on which the Board resolves to grant the Option, or such later date upon which the offer to purchase Common Shares will be effective, as may be specified by the Board at the time of such resolutions.

### **5. Provisions Applicable to ISOs**

- (a) As provided by Section 422(b)(5) of the Code, and if permitted by the Plan, an ISO will not be transferable except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the U.S. Participant only by the U.S. Participant. If the Board elects to allow the transfer of an Option by a U.S. Participant that is designated as an ISO, such transferred Option will automatically become a NSO.
- (b) As provided by Section 422(d) of the Code and applicable regulations thereunder, to the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Shares with respect to which ISO are exercisable for the first time by any U.S. Participant during any calendar year (under all plans of the Company and any Subsidiary) exceeds US\$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing ISOs, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as NSOs, notwithstanding any contrary provision of the applicable Option Agreement.
- (c) To obtain the U.S. federal income tax advantages associated with an ISO, the Code requires that at all times beginning on the date of grant and ending on the day three (3) months before the date of exercise of the Option, the U.S. Participant must be an employee of the Company or a Subsidiary (except in the event of the U.S. Participant’s death or disability, in which case longer periods apply). The Company cannot guarantee that the Option will be treated as ISO if the U.S. Participant continues to provide services to the Company or a Subsidiary after such U.S. Participant’s employment terminates or if the U.S. Participant otherwise exercises the Option more than three (3) months after the date his or her employment terminates, or the Option otherwise fails to qualify as an ISO.

- (d) If a U.S. Participant disposes of Common Shares acquired upon exercise of an ISOs within two years from the date of grant (such date determined under Section 4 of this U.S. Sub Plan) or one year after such Common Shares were acquired pursuant to exercise of such Option, the U.S. Participant shall notify the Company in writing of such disposition.

## **6. Amendments and Termination.**

The Board shall have the authority to amend this Sub Plan or any Options granted hereunder in accordance with Sections 16 and 17 of the Plan, provided however, that to the extent required by Section 422 of the Code, no amendment will be made without the approval of the Company's shareholders.

## **7. General Provisions**

- (a) The Board may require each U.S. Participant to represent to, and agree with the Company in writing that, the U.S. Participant is acquiring securities of the Company for investment purposes and without a view to distribution thereof and as to such other matters as the Board believes are appropriate.
- (b) Common Shares shall not be issued hereunder unless, in the judgment of counsel for the Company, the issuance complies with the requirements of any stock exchange or quotation system on which the Common Shares are then listed or quoted, the U.S. Securities Act of 1933, as amended, the U.S. Securities Exchange Act of 1934, as amended, the Code, all rules and regulations promulgated thereunder and all other applicable laws.
- (c) All certificates for Common Shares or other securities delivered under this U.S. Sub Plan will be subject to such transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the shares are then listed and any applicable laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (d) No later than the date as of which an amount first becomes includible in the gross income of the U.S. Participant for United States federal income tax purposes with respect to any grant, the U.S. Participant will pay to the Company, or make arrangements satisfactory to the Board regarding the payment of taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan and this U.S. Sub Plan will be conditioned on such payment or arrangements and the Company will have the right to deduct any such taxes from any payment of any kind otherwise due to the U.S. Participant. Unless otherwise determined by the Board, the minimum required withholding obligation with respect to an Award may be settled in shares of Company, including the Common Shares that are subject to that Award.
- (e) In the event that any provision of this U.S. Sub Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.
- (f) No person shall have any claim or right to be granted an Option under this U.S. Sub Plan, and the grant of an Option shall not be construed as giving a U.S. Participant the

right to continued employment or any other service relationship with the Company or any Subsidiary.

- (g) The Company will have no duty or obligation to the U.S. Participant to advise such holder as to the time or manner of exercising the Option. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Option or a possible period in which the Option may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Option to the U.S. Participant.
- (h) Unless otherwise expressly provided for in an Option Agreement, the terms applicable to Options granted under this U.S. Sub Plan will be interpreted to the greatest extent possible in a manner that makes the Options exempt from Section 409A of the Code, and, to the extent not so exempt, that brings the Options into compliance with Section 409A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Option Agreement or other written contract with the U.S. Participant specifically provides otherwise), if the Plan Shares are publicly traded, and if a U.S. Participant holding an Option that constitutes “deferred compensation” under Section 409A of the Code is a “specified employee” under Section 409A of the Code, no distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such U.S. Participant’s “separation from service” or, if earlier, the date of the U.S. Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule. The Company shall have no liability to a U.S. Participant or any other party if an Option that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Board.

#### **8. Shareholder Approval of U.S. Sub Plan**

Continuance of this U.S. Sub Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the U.S. Sub Plan is adopted. Any Options granted and any Common Shares purchased under this U.S. Sub Plan before shareholder approval is obtained must be rescinded if shareholder approval is not obtained within twelve (12) months before or after the date this U.S. Sub Plan is adopted.

**SCHEDULE "C"**

**RESTRICTED SHARE UNIT PLAN**

## RESTRICTED SHARE UNIT PLAN

### ZEFIRO METHANE CORP.

#### 1. INTERPRETATION

##### 1.1 Restricted Share Unit Plan

The plan herein described shall be called the **"Restricted Share Unit Plan"** and is referred to herein, as may be amended from time to time, as the **"Plan"**.

##### 1.2 Definitions

For the purposes of the Plan, unless there is something in the subject matter or context inconsistent therewith the following terms shall have the following meanings:

**"Account"** means the account set up on behalf of each Participant in accordance with Section 4.1(b);

**"Applicable Law"** means all applicable federal, provincial, state and foreign laws and any regulations, instruments or orders enacted thereunder, and the rules, regulations and policies of the Stock Exchange;

**"Board"** or **"Board of Directors"** means the board of directors of the Company, as constituted from time to time;

**"Change of Control"** means an occurrence of any of the following:

- (a) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its Subsidiaries, with respect to which all or substantially all of the Persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully diluted basis) of the Company or its successor;
- (b) the sale, exchange or other disposition to a person other than an affiliate or any Subsidiary of the Company of all, or substantially all of the Company's assets;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change;
- (e) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquires or acquires control or direction (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct

the casting of 50% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors); or

- (f) the Board of Directors passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred.
- (g) For the purposes of the foregoing, "**Voting Securities**" means Shares and any other securities of the Company entitled to vote for the election of directors;

"**Committee**" means a committee of the Board appointed in accordance with the Plan, or if no such Committee is appointed, then the Board itself;

"**Company**" means Zefiro Methane Corp. and any successor thereto;

"**Consultant**" means a person, other than an Employee, Officer or Director, that:

- (a) is engaged to provide services to the Company or a Subsidiary, other than services provided in relation to a distribution;
- (b) provides the services under a written contract with the Company or a Subsidiary; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary;

and includes

- (d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner; and
- (e) for a consultant that is not an individual, an employee, executive officer or director of the consultant, provided that the individual employee, executive officer or director spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary;

"**Director**" means a director of the Company or a Subsidiary;

"**Disability**" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability;

"**Eligible Person**" means, at the Grant Date, any Employee, Officer, Director or Consultant of the Company or any Subsidiary at the time of grant;

"**Employee**" means an individual who:

- (a) is considered an employee of the Company or a Subsidiary under Applicable Law (i.e. for whom income tax and other deductions must be made at source);
- (b) works full-time for the Company or a Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income

tax deductions are not made at source; or

- (c) works for the Company or a Subsidiary on a continuing and regular basis, providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

**“Fair Market Value”** means, as of any day, with respect to the Shares:

- (a) if the Shares are immediately and freely tradable on a stock exchange or an over-the-counter market, the Market Price; provided that if there is a pending transaction in which the Shares of the Company are valued and a definitive agreement for such pending transaction has been entered into by the Company, the Board may determine that as of such day the Fair Market Value is the per Share value in such valuation; or
- (b) if (a) does not apply, the fair value per Share as determined in good faith by the Board;

**“Grant Date”** means the effective date on which RSUs are awarded to a Participant in accordance with Section 4.5;

**“Market Price”** means, with respect to the Shares on a particular date, the price per Share computed on the basis of the closing price of the Shares on the Stock Exchange for the most recent trading day preceding the relevant date; provided that if the Market Price would be determined with reference to a period commencing after a fiscal quarter end of the Company and ending prior to the public disclosure of interim financial statements for such quarter (or annual financial statements in the case of the fourth quarter), the calculation of the Market Price will be made with reference to the higher of the last closing price of the Shares on the Stock Exchange (or any exchange on which the Shares are trading) for the most recent trading day preceding the relevant date and the fifth trading day immediately following the date of public disclosure of the financial statements for that quarter and provided further that if the Market Price would be determined at a time when the Board is aware of undisclosed material information with respect to the Company that in the determination of the Board could reasonably be expected to have a material impact on the market price of the Shares, such Market Price shall be determined on the fifth trading day immediately following the date of public disclosure of such material information;

**“NI 45-106”** means National Instrument 45-106 – *Prospectus Exemptions* ;

**“Officer”** means an executive officer (as defined in NI 45-106) of the Company or a Subsidiary;

**“Participant”** means an Eligible Person to whom RSUs have been granted;

**“Performance Period”** means a period which may be designated by the Board in accordance with Section 3.2 that commences on the designated Grant Date and ends within three years following the end of the year of the Grant Date;

**“Permitted Assign”** means, for a Person that is an Employee, Officer, Director or Consultant of the Company or a Subsidiary: (a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the Person; (b) a holding entity of the Person; and (c) a registered retirement savings plan, registered retirement income fund or tax free savings account of the Person;

**“Person”** or **“Entity”** means an individual, corporation, company, entity, trust, government or political subdivision or agency of a government, and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person or Entity;

**“Plan Limit”** means the maximum number of Shares that are issuable under the Plan in accordance with



Section 4.2;

**"Regulatory Approval"** means the approval under Applicable Law of the Stock Exchange and any other regulatory authority or governmental agency that may have lawful jurisdiction over the Plan and any RSUs issued hereunder;

**"Restricted Share Unit"** or **"RSU"** means a unit credited by means of a bookkeeping entry on the books of the Company to a Participant's Account in accordance with the terms and conditions of the Plan;

**"RSU Award Notice"** means a written notice, substantially in the form of the notice set out in Schedule A or such other form as may be approved by the Committee from time to time, setting out the terms of the RSUs granted to the Participant;

**"Securities Act"** means the *Securities Act* (British Columbia), as amended from time to time;

**"Share Compensation Arrangement"** means any share option, Stock Option Plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers, Employees or Consultants of the Company or any Subsidiary;

**"Shareholder Approval"** means approval by the Company shareholders in accordance with the rules of the Stock Exchange;

**"Shares"** means common shares in the capital of the Company;

**"Stock Option Plan"** means the stock option plan approved by the Board effective August 4, 2023, as amended January 15, 2024 and as may be further amended from time to time;

**"Stock Exchange"** means the Cboe Canada Inc. or any other stock exchange on which the Shares are then listed for trading, as applicable;

**"Subsidiary"** means a wholly-owned or controlled subsidiary of the Company; and

**"Termination Date"** means the effective date the applicable Participant ceases to be an Eligible Person, whether as a result of their termination of employment or engagement or otherwise, regardless of whether any such termination was lawful, and excludes any period of statutory, contractual, common law or other reasonable notice of termination or any period of salary continuance or deemed employment, except as otherwise required by Applicable Law.

### **1.3 Use of Gender and Number**

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

### **1.4 Governing Law**

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

## **2. ESTABLISHMENT OF THE PLAN**

### **2.1 Establishment and Purpose of the Plan**

The purpose of the Plan is to assist and encourage Directors, Officers, Employees and Consultants of the Company and its Subsidiaries to work towards and participate in the growth and development of the

Company and its Subsidiaries and provide such Persons with the opportunity to acquire an ownership interest in the Company.

## **2.2 Effective Date**

The Plan shall be effective as of November 8, 2024, subject to ratification and approval by shareholders at the Company's Annual General Meeting to be held on December 13, 2024. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary approvals from shareholders of the Company, the Stock Exchange, and any other applicable regulatory authorities.

## **2.3 Eligibility**

RSUs may be granted hereunder to Eligible Persons from time to time by the Board, subject to the limitations set forth herein, but may not be granted when that grant would be prohibited by or in breach of Applicable Law or any applicable corporate policies or procedures of the Company then in effect.

## **3. ADMINISTRATION**

### **3.1 Use of Committees**

The Board may delegate all or such portion of its powers hereunder as it may determine to the Committee, either indefinitely or for such period of time as it may specify and thereafter the Committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do. If a Committee is appointed for this purpose, all references herein to the Board will be deemed to be references to such Committee.

### **3.2 Authority of the Board**

The Board shall be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Subject to the limitations of the Plan, without limiting the generality of the foregoing, the Board has the power and authority to:

- (a) determine which Eligible Persons are to be granted RSUs and the number of RSUs to be issued to those Eligible Persons;
- (b) determine the terms under which such RSUs are granted including, without limitation, those related to the Performance Period, vesting, Performance Conditions and forfeiture;
- (c) prescribe the form of RSU Award Notice with respect to a particular grant of RSUs;
- (d) interpret the Plan and determine all questions arising out of the Plan and any RSUs granted pursuant to the Plan, which interpretations and determinations will be conclusive and binding on the Company and all other affected Persons;
- (e) prescribe, amend and rescind rules and procedures relating to the Plan;
- (f) subject to the provisions of the Plan and subject to such additional limitations and restrictions as the Board may impose, delegate to one or more officers of the Company some or all of its authority under the Plan; and

- (g) employ such legal counsel, independent auditors, third party service providers and consultants as it deems desirable for the administration of the Plan and to rely upon any opinion or computation received therefrom.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other Persons, including, in particular and without limitation, the Participants.

#### **4. GRANT OF RSUs**

##### **4.1 RSU Award Notice and Account**

- (a) Upon the grant of the RSUs, the Company will deliver to the Participant an RSU Award Notice dated as of the Grant Date, containing the terms of the RSUs and executed by the Company, and upon delivery thereof to the Participant, such Participant will be a Participant in the Plan and have the right to receive Shares or, at the sole discretion of the Company, cash on the terms and conditions set out in the RSU Award Notice and in the Plan. Subject to any specific variations approved by the Board, all terms and conditions set herein will be deemed to be incorporated into and form part of each RSU Award Notice made hereunder.
- (b) An account ("**Account**"), which may be notional or in ledger form, shall be maintained by the Company for each Participant and will show the RSUs credited to a Participant from time to time.

##### **4.2 Shares Reserved**

The maximum number of Shares which may be reserved for issuance under the Plan, in combination with all Share Compensation Arrangements of the Company, at any time shall not exceed 13,131,900 Shares, subject to adjustment under Section 6.1 (the "**Plan Limit**"), and for greater certainty, such Plan Limit, in combination with all Share Compensation Arrangements of the Company, shall not exceed 20% of the issued and outstanding Shares, on a fixed basis as of the date of the Company's listing on the Stock Exchange, subject to shareholder approval.

##### **4.3 Status of Terminated RSUs**

For purposes of determining the number of Shares that remain available for issuance under the Plan, the number of Shares underlying any grants of RSUs that are surrendered, forfeited, waived, repurchased by the Company and/or cancelled shall be added back to the Plan Limit and again be available for future grant, whereas the number of Shares underlying any grants of RSUs that are issued shall not be available for future grant.

##### **4.4 Grant and Vesting of RSUs**

- (a) The Board may in its own discretion, at any time, and from time to time, grant RSUs to Eligible Persons as it determines appropriate, subject to the limitations set out in this Plan. The Board may designate one or more Performance Periods under the Plan. In respect of each designated Performance Period and subject to the terms of the Plan, the Board may from time to time establish the Grant Date and grant to any Eligible Person one or more RSUs as the Board deems appropriate.
- (b) The Board shall make all other determinations with respect to the Performance Period as the Board considers in its sole discretion to be necessary or desirable under the Plan, including, without limitation, the date or dates within such Performance Period and such other terms and conditions, if any, on which all or a portion of such RSUs credited to a Participant's Account shall vest (to be set forth in the RSU Award Notice), provided that no

RSUs may vest when prohibited by or in breach of Applicable Law. **For the avoidance of doubt, the Participant must continue to be an Eligible Person as at the expiry of the Performance Period, in order for the RSU to vest.**

- (c) At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified in the RSU Award Notice (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions. The Board may determine that a Restricted Share Unit shall vest in whole or in part upon achievement of any one Performance Condition or that two or more Performance Conditions must be achieved prior to the vesting of a Restricted Share Unit. Performance Conditions may differ for Restricted Share Units granted to any one Participant or to different Participants.
- (d) Notwithstanding any other provision of the Plan, the Board may in its sole and absolute discretion accelerate and/or waive any vesting or other conditions, including Performance Conditions, for all or any RSUs for any Participant at any time and from time to time.
- (e) In no circumstances will RSUs credited to a Participant’s Account in respect of a Performance Period vest after three years following the end of the year of the Grant Date.
- (f) Any RSUs in respect of a Performance Period that are not vested within three years following the end of the year of the Grant Date shall be cancelled and no vesting, payment or issuance shall be made under the Plan in respect of such RSUs.

#### **4.5 Change of Control**

- (a) Upon the occurrence of a Change of Control, the Board may provide that: (i) the successor corporation or entity will assume each RSU or replace it with a substitute RSU on terms substantially similar to the existing RSU; (ii) the RSUs will be surrendered for a cash payment made by the Company or the successor corporation or entity equal to the Fair Market Value thereof; (iii) unvested RSUs will vest immediately; or (iv) any combination of the foregoing will occur.
- (b) If within 12 months following a Change of Control, unless otherwise provided in a Participant’s RSU Award Notice or a written contract between the Company or a Subsidiary and the Participant, a Participant’s service, employment or consulting relationship with the Company, an affiliate or the continuing entity is terminated without cause, or the Participant resigns from his or her employment as a result of either (i) a substantial diminution in the Participant’s authorities, duties, responsibilities, status (including titles, and reporting requirements) from those in effect immediately prior to the Change of Control; (ii) the Company requiring the Participant to be based at a location in excess of 100 kilometers from the location of the Participant’s principal job location or office immediately prior to a Change of Control; or (iii) a material reduction in the Participant’s base salary, or a substantial reduction in the Participant’s target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control, then the vesting of all RSUs then held by such Participant will be accelerated and such Participant will have all of their RSUs immediately vest. In the event that an RSU is subject to vesting upon the attainment of performance criteria, then the number of RSUs that will immediately vest will be determined by multiplying the number of base RSUs awarded under the Participant’s RSU Award Notice by the percentage representing the pro-rata achievement of performance criteria as at the date of termination.

#### 4.6 Delivery of Shares or Cash

- (a) RSUs shall vest pursuant to the vesting schedule set out in a Participant's RSU Award Notice and the Company shall redeem such RSUs only at the end of the Performance Period pertaining to the RSUs and issue from treasury one Share for each full RSU that has vested without any further action on the part of the Participant. The Shares issued upon redemption of RSUs shall be registered according to the information in the Company's records for a Participant. No partial RSUs may be issued. Notwithstanding the foregoing, at the sole election of the Company, the Company may redeem all or part of the vested RSUs by making a lump sum payment at the end of the Performance Period pertaining to the RSUs in respect of all RSUs to be redeemed at such time, equal to the amount determined by multiplying the number of RSUs in the Participant's Account that are vested on such vesting date by the Market Price of a Share on such vesting date.
- (b) Upon delivery of Shares and/or cash in satisfaction of RSUs, such RSUs shall be cancelled from the Participant's Account.
- (c) Notwithstanding Section 4.7(a), all redemptions under this Section 4.7 in respect of RSUs in Participants' Accounts that have vested in respect of a Performance Period shall be redeemed within three years following the end of the year in which such RSUs were awarded pursuant to Section 4.5.

#### 4.7 Tax and Tax Withholding

Notwithstanding any other provision contained herein, in connection with the exercise of an RSU by a Participant or a Permitted Assign for Shares of the Company pursuant to Section 4.7(a) hereof, as a condition to such exercise: (i) the Company shall require such Participant to pay or cause to be paid to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, state, provincial or local law relating to the withholding of tax or other required deductions in connection with the exercise of such RSUs (the "**Source Deductions**"); or (ii) in the event a Participant does not pay or cause to be paid the amount specified in (i), then the Company shall be permitted to: (x) engage a broker or other agent on behalf of the Participant or Permitted Assign, at the risk and expense of the Participant or Permitted Assign, as applicable, to sell a portion of the underlying Shares issued on the exercise of such RSU through the facilities of the Stock Exchange, and to apply the proceeds received on the sale of such underlying Shares as necessary so as to ensure that the Company is in compliance with the applicable Source Deductions relating to the exercise of such RSUs, or (y) reduce the number of Shares to be issued to a Participant in respect of redeemed RSUs in an amount that is equal in value to the cash amount of the Source Deductions and pay the Source Deductions in cash as necessary. In addition, the Company shall be entitled to withhold from any amount payable to a Participant, such amount as may be necessary so as to ensure that the Company is in compliance with the applicable Source Deductions relating to the exercise of any RSU.

#### 4.8 Termination of Employment

Unless otherwise determined by the Board, in its sole discretion, or as specified in the applicable RSU Award Notice or in a written contract between the Company or a Subsidiary and the Participant:

- (a) upon the voluntary resignation or the termination for cause of a Participant, all of the Participant's RSUs which remain unvested in the Participant's Account on the Termination Date shall be forfeited without any entitlement to such Participant. If the Participant has an employment or consulting agreement with the Company, the term "**cause**" shall include any meaning given to that term in the employment or consulting agreement or, if such term is not defined in such agreement, subject to Applicable Law, shall mean any ground which would justify the services of the Participant to be terminated without notice or payment in lieu of notice; and

- (b) upon the termination without cause, the Disability, or the death of a Participant, the Participant or the Participant's beneficiary, as the case may be, shall for each grant of RSUs, have a number of RSUs become vested equal to:  $(A \times B/C) - D$ , where:

A = the original number of RSUs granted;

B = the number of completed months of employment, consultancy or of having acted as a director since the Grant Date to the Termination Date;

C = the number of total months required to achieve the full vesting of such grant of RSUs;

D = the number of RSUs that have become vested and were previously settled in accordance with the Plan.

Such vested RSUs shall be settled with such Participant (or in the case of the Participant's death, with the liquidator, executor or administrator, as the case may be, of the estate of such Participant) within 180 days of the Termination Date of such Participant, in each case in accordance with Section 4.7.

#### **4.9 Non-Transferability of RSUs**

RSUs accruing to any Participant in accordance with the terms and conditions of this RSU Plan shall not be transferable or assignable other than (a) by will or by the laws of descent and distribution; and (b) to a Permitted Assign. During the lifetime of a Participant, all benefits and rights granted under this RSU Plan may only be exercised by the Participant or a Permitted Assign.

### **5. AMENDMENT**

#### **5.1 Amendments**

- (a) The Board reserves the right, in its absolute discretion, to amend, suspend or terminate the Plan, or any portion thereof, at any time without obtaining Shareholder Approval, subject to those provisions of Applicable Law and Regulatory Approval, if any, that require Shareholder Approval. Such amendments may include, without limitation:
- (i) minor changes of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan, or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
  - (ii) amending RSUs under the Plan, including with respect to advancing the date on which any RSU may vest, assignability and the effect of termination of a Participant, provided that such amendment does not adversely alter or impair any RSU previously granted to a Participant without the consent of such Participant;
  - (iii) amendments necessary to comply with the provisions of applicable law or the applicable rules of the stock exchange on which the Shares are then listed, including with respect to the treatment of RSUs granted under the Plan;
  - (iv) amendments respecting the administration of the Plan;
  - (v) amendments necessary to suspend or terminate the Plan, provided that such amendment does not adversely alter or impair any RSU previously granted to a Participant without the consent of such Participant; and
  - (vi) any other amendment, fundamental or otherwise, not requiring Shareholder Approval under Applicable Law or the applicable rules of the Stock Exchange.

- (b) Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals.

## **5.2 Termination**

The Board may terminate the Plan at any time in its absolute discretion. If the Plan is so terminated, no further RSUs shall be granted, but the RSUs then outstanding shall continue in full force and effect in accordance with the provisions of the Plan. For the purposes of this Section 5.2, a termination does not include an accelerated expiry of an RSU by reason of the fact that a Director, Officer, Employee or Consultant ceases to be a Participant.

## **6. ADJUSTMENT TO SHARES**

### **6.1 Adjustments**

Appropriate adjustments in the Plan Limit and the number and class of securities of the Company, a successor to the Company or any other Person issuable on redemption of RSUs, will be conclusively determined by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Shares, an arrangement, amalgamation, recapitalization, subdivision, consolidation or similar transaction as a result of which the outstanding Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company or other Person, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the capital of the Company. If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. Any such adjustment by the Board will be binding upon the Company, the Participants and all other affected parties. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Board, and any such determination will be binding on the Company, the Participants and all other affected parties.

### **6.2 Limitations**

The grant of RSUs under the Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure, or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

## **7. GENERAL**

### **7.1 Unfunded and Unsecured Plan**

The Plan shall be unfunded and neither the Company nor any of its Subsidiaries will secure the Company's obligations under the Plan. To the extent any Participant or his or her estate holds rights by virtue of an award of Restricted 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 Company.

### **7.2 Compliance with Legislation**

The Plan, the grant and vesting of RSUs hereunder and the Company's obligation to sell and deliver Shares in accordance with the provisions of the Plan is subject to Applicable Law and to such Regulatory Approvals as may, in the opinion of counsel to the Company, be required. Each RSU Award Notice will contain such provisions as in the opinion of the Board are required to ensure that no Shares are issued in respect of an RSU unless the issuance of such Shares will be exempt from all registration, qualification and prospectus requirements of securities laws of any jurisdiction and will be permitted under Applicable Law. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue, sell or transfer Shares in violation of Applicable Law or any condition of any Regulatory Approval. No RSU shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would

require registration of the Plan or of Shares under the securities laws of any jurisdiction and any purported grant of any RSU or issue, sale or transfer of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Shares issued and sold to Participants pursuant to the provisions of the Plan may be subject to limitations on sale or resale under Applicable Law. In particular, if required by Applicable Law, an RSU Award Notice may provide that shareholder approval to the grant of an RSU must be obtained prior to the vesting of the RSU or to the amendment of an RSU Award Notice.

### **7.3 Non-Exclusivity**

Nothing contained in the Plan will prevent the Board from adopting other or additional Share Compensation Arrangements, subject to obtaining, if required, prior Regulatory Approval and Shareholder Approval.

### **7.4 Employment and Services**

Nothing contained in the Plan or in any RSU Award Notice will confer upon or imply in favour of any Eligible Person or Participant any right with respect to office, employment or provision of services with the Company or of any Subsidiary or interfere in any way with the right of the Company or any Subsidiary to lawfully terminate the Eligible Person or Participant's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Eligible Person will be voluntary.

### **7.5 Change of Status**

Unless otherwise provided for herein, in an RSU Award Notice, or in a written contract between the Company or a Subsidiary and the Participant, a change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which an RSU was granted to such Participant will not result in a change in the terms of such RSU provided that such Participant remains an Eligible Person.

### **7.6 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada), as amended from time to time, or any other taxing statute governing the RSUs or the Shares issued or issuable thereunder or the tax consequences to a Participant. Compliance with Applicable Law as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Company.

### **7.7 Rights as a Shareholder**

Nothing contained in the Plan nor in any RSU granted thereunder shall be deemed to give any Participant any interest or title in or to any Shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than with respect to Shares issued in accordance with the provisions of the Plan.

### **7.8 Discretion of Board**

The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.



## **7.9 Notices**

The form of all communication relating to the Plan shall be in writing and delivered by recognized overnight courier, certified mail, fax or electronic mail to the proper address or, optionally, to any individual personally. Except as otherwise provided in any RSU Award Notice, all notices to the Company or the Board shall be addressed to: c/o the Company at its offices located at 2501 – 550 Burrard Street, Vancouver, British Columbia V6C 2B5, Attn: Chief Financial Officer. All notices to Participants, former Participants, beneficiaries or other Persons acting for or on behalf of such Persons that are not delivered personally to an individual shall be addressed to such Person by the Company or its designee at the last address for such Person maintained in the records of the Board or the Company.

**SCHEDULE A TO RESTRICTED SHARE UNIT PLAN**  
**FORM OF RESTRICTED SHARE UNIT AWARD NOTICE**  
**ZEFIRO METHANE CORP.**

Zefiro Methane Corp. (the “**Company**”) hereby grants to the Participant named below an award (“**Award**”) of Restricted Share Units, subject to the terms and conditions set forth in this RSU Award Notice and the Company’s Restricted Share Unit Plan (the “**Plan**”), a copy of which has been made available to the Participant. Capitalized terms that are used but not defined herein have the meaning ascribed thereto in the Plan.

Subject to the provisions of the Plan, the principal features of this Award are as follows:

Name of Participant:	●
Total Number of RSUs Awarded:	●
Grant Date:	●
Vesting Schedule:	●
Performance Period:	The Performance Period for this grant of RSUs commences on the Grant Date and ends at the close of business on ● [INSERT DATE, WHICH MUST BE WITHIN THREE YEARS FOLLOWING THE END OF THE YEAR OF THE GRANT DATE]
Performance Conditions (if any):	●

By accepting the Award, the Participant:

- (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof which shall be deemed to be incorporated into and form part of this RSU Award Notice (subject to any specific variations contained in this RSU Award Notice);
- (b) acknowledges that the RSUs are subject to certain terms conditions relating to the Participant’s status as an Employee, Officer, Director or Consultant of the Company or a Subsidiary, and understands that if he or she ceases to be an Employee, Officer, Director or Consultant of the Company or a Subsidiary, the RSUs may be cancelled or forfeited;
- (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the exercise of any RSU, as provided in Section 4.8 of the Plan;
- (d) agrees that an RSU does not carry any voting rights;
- (e) acknowledges that his or her participation in the Plan is voluntary and has not been induced as a condition of employment or engagement, or continued employment or engagement.

By accepting the Award, the Participant also provides its express consent to:

- (a) if the Company's Shares are listed on the Cboe Canada Inc. (the "**Stock Exchange**"), the disclosure of Personal Information by the Company to the Stock Exchange with respect to any and all forms required to be filed by the Company with the Stock Exchange with respect to the grant of this RSU; and
- (b) if the Company's Shares are listed on the Stock Exchange, the collection, use and disclosure of Personal Information by the Stock Exchange for the purposes described in the *Cboe – Privacy Notice and Policy* of the Stock Exchange, or as otherwise identified by the Stock Exchange, from time to time.

**"Personal Information"** means any information about an identifiable individual, and includes the information contained in any materials to be filed by the Company with the Stock Exchange.

As provided in the Plan, RSUs granted pursuant to this RSU Award Notice may terminate before the end of the Performance Period. Important additional information on vesting, redemption and forfeiture of the RSUs covered by this Award, including those due to changes in employment, is contained in the Plan.

The provisions of this RSU Award Notice shall not vary any of the terms or rights of any other RSUs other than the RSUs forming part of the Award granted hereunder.

This Award is: (i) subject to all of the terms and conditions of this RSU Award Notice and of the Plan, (ii) not a promise for future grants of RSUs, and (iii) made at the sole discretion of the Committee

**IN WITNESS WHEREOF** the Company has executed this RSU Award Notice as of

\_\_\_\_\_, 20\_\_\_\_.

**ZEFIRO METHANE CORP.**

\_\_\_\_\_  
Authorized Signatory

Name:

Title:

## **SCHEDULE "D"- BOARD MANDATE**

**ZEFIRO METHANE CORP.  
BOARD OF DIRECTORS MANDATE**

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**1. PURPOSE**

The board of directors (the “**Board**”) of Zefiro Methane Corp. (the “**Corporation**”) is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation’s strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Corporation in their management of its day-to-day business and affairs. The Board’s primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Corporation is able to successfully execute its strategic plans and complete its corporate objectives. The composition, responsibilities, and authority of the Board are set out in this Mandate.

**2. COMPOSITION AND OPERATION**

The Board shall consist of such number of directors as the shareholders or the Board may determine from time to time.

A majority of Board members will be “independent” as such term is defined by applicable Canadian securities laws and regulations as well as the rules of relevant stock exchanges (as applicable). The Board will in each year appoint a chairperson of the Board (the “**Chair**”). The Chair shall hold office at the pleasure of the Board until successors have been duly appointed or until the Chair resigns, or is otherwise removed from office by the Board.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board, defining the mandate of each committee and determining compensation for the directors. Subject to the articles of the Corporation and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to committees of the Board.

On an ongoing basis, the Board shall ensure that processes are in place to evaluate the effectiveness of individual directors and the Board as a whole.

The Board shall develop and maintain adequate orientation for new directors to the Board and continuing education opportunities for all directors.

**3. MEETINGS**

The Board shall have a minimum of four regularly scheduled meetings per year, or such other number as determined by the Board. Additional meetings are called as necessary.

The independent directors will regularly meet among themselves, without the presence of management.

The members of the committees of the Board shall take the necessary steps to attend the relevant committee meetings and to inform themselves in advance of those matters to be discussed thereat, including by reviewing all applicable meeting materials.

The Board of Directors shall appoint a secretary who need not be member of the Board. The secretary shall attend all meetings of the Board. The secretary shall take the minutes of the meetings. The minutes shall be made available to the Directors for consultation and shall be approved by the Board before being included in the Corporation's registers or records.

Each member of the Board of Directors shall have the right to vote on matters that come before the Board. Subject to applicable law, if a director or the Chair faces a potential or actual conflict of interest relating to a matter before the Board, other than matters relating to the compensation of directors, such director or the Chair shall disclose to the Board his or her interest and shall neither participate in consideration of the matter nor vote on the matter.

The Board of Directors may invite any of the Corporation's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

#### **4. SPECIFIC DUTIES**

Every director is required to act honestly and in good faith and in the best interests of the Company and to exercise the care, diligence and skill of a reasonably prudent person.

##### **(a) Oversight and Overall Responsibility**

In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall:

- (i) set the strategic plans of the Corporation and oversee management's performance and the progress and development thereof;
- (ii) provide advice and guidance to management with the intent of increasing shareholder value;
- (iii) satisfy itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
- (iv) approve the significant policies and procedures by which the Corporation is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
- (v) review and approve material contracts and transactions involving the Corporation, including the acquisitions and dispositions of material assets by the Corporation and material capital expenditures by the Corporation;
- (vi) approve annual operating and capital budgets, monitoring operating performance and ensuring that the Board has the necessary information,

including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;

- (vii) annually review operating and financial performance results relative to established strategy, budgets and objectives;
- (viii) review and approve the Corporation's strategic business plan which takes into account the opportunities and risks inherent in the mining business; and
- (ix) consider and approve the following matters:
  - A. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - B. the filling of a vacancy among the directors or in the office of auditor;
  - C. the appointment of additional directors;
  - D. the issuance of common shares or financial instruments;
  - E. the establishment of credit facilities;
  - F. the declaration of dividends; and
  - G. the purchase, redemption or any other form of acquisition of shares issued by the Corporation.

**(b) Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the Corporation's business to achieve a proper balance between risks incurred and the potential return to shareholders, and to work with management to ensure that appropriate risk management systems and internal controls are in place, which effectively monitor and manage those risks with a view to the long-term success of the Corporation.

**(c) Appointment and Monitoring of Senior Management**

The Board shall:

- (i) appoint the CEO and other senior officers of the Corporation, approve their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives;
- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management; and
- (iii) establish limits of authority and responsibility delegated to management.

**(d) Reporting and Communication**

The Board has the responsibility to:

- (i) verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- (ii) verify that the financial performance of the Corporation is reported accurately to shareholders, other security holders and regulators on a timely and regular basis; and
- (iii) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.

**(e) Monitoring and Acting**

The Board has the responsibility to:

- (i) review and approve the Corporation's financial statements and ensure the Corporation's compliance with applicable audit, accounting and reporting requirements;
- (ii) approve and monitor compliance with significant policies and procedures by which the Corporation operates;
- (iii) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant;
- (iv) verify that the Corporation has implemented and maintains appropriate internal control and management information systems;
- (v) establish a disclosure policy; and
- (vi) ensure that management has processes and systems in place to ensure compliance with applicable laws and regulations.

**(f) Other Activities**

The Board may perform any other actions consistent with this mandate and the articles of the Corporation and any other governing laws as the Board deems necessary or appropriate.

**(g) Code of Business Conduct and Ethics**

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Corporation which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Corporation's assets and opportunities;



- (iii) the confidentiality of information;
- (iv) fair dealing with various stakeholders of the Corporation;
- (v) compliance with laws, rules and regulations; and
- (vi) the reporting of any illegal or unethical behaviour.

## **5. BOARD COMMITTEES**

The Board of Directors may establish and delegate to committees of the Board any of its powers, authorities and discretion (with power to sub-delegate) which the Board is not prohibited by law from delegating.

Each such committee must operate in accordance with the articles of the Corporation, applicable law, its committee charter and the rules of relevant securities regulatory authorities and stock exchanges (as applicable). The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

The Board shall establish and maintain an audit committee, having a mandate that incorporates all applicable legal and stock exchange listing requirements (as applicable). The audit committee shall conform with all such recommendations of relevant securities regulatory authorities and stock exchanges (as applicable), as the Board may consider appropriate. Subject to reliance by the Corporation of any exceptions or exemptions provided by applicable laws, all members of the Audit Committee shall be independent directors.

The Board of Directors shall review annually the performance and the work of each of its committees.

The Board of Directors shall annually appoint a member of each of its committees to act as chairman of such committee.

## **6. CHAIR**

The Chair shall oversee the Board and shall ensure that it discharges its responsibilities, evaluates the performance of the executive officers of the Corporation objectively and understands the boundaries between the Board's responsibilities and those of the executive officers of the Corporation.

## **7. DIRECTOR ACCESS TO MANAGEMENT**

The Corporation shall provide each director with access to the management of the Corporation as required.

Approved on November 8, 2024