

# **WATER WAYS TECHNOLOGIES INC.**

## **MANAGEMENT INFORMATION CIRCULAR**

**For the Annual and Special Meeting of Shareholders**

**to be held on February 10, 2025**

**January 6, 2025**

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**WATER WAYS TECHNOLOGIES INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of the holders of the common shares (collectively, the "**Shareholders**" or individually, a "**Shareholder**") of Water Ways Technologies Inc. (the "**Company**" or the "**Corporation**") will be held virtually, by way of live webcast only via Zoom meeting, link and dial in numbers can be found below:

**Topic:** Water Ways Technologies Inc., Annual and Special Meeting

**Join Zoom Meeting:** WATER WAYS TECHNOLOGIES INC., ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**Meeting ID:** 827 7518 9587

**Passcode:** 748174

**Dial by your location:**

- +1 312 626 6799 US (Chicago)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 408 638 0968 US (San Jose)
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 876 9923 US (New York)
- +1 646 931 3860 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US

Find your local number: <https://us06web.zoom.us/j/82775189587>

on Friday February 10, 2025 at 9:00 a.m. Eastern Time (US and Canada) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended December 31, 2023, and the report of the auditor thereon;

2. to consider, and if deemed advisable, to pass, an ordinary resolution fixing the board of directors (the “**Board**”) at three members and to authorize the Board, at its sole discretion, to increase the number of directors on the Board from three to four at any time after the Meeting and prior to the next annual meeting of Shareholders;
3. to elect directors of the Company for the ensuing year;
4. to appoint BDO- Ziv Haft Consulting and Management Ltd., as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Company’s stock option plan, as more particularly described in the accompanying management information circular (“**Circular**”); and
6. to transact such further business as may properly come before the Meeting or any adjournment or postponement thereof.

The board of directors of the Company has fixed January 3, 2025, as the Record Date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting and any adjournment thereof. Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular, form of proxy or voting instruction form, and, for Shareholders who had requested such information, a copy of the Corporation’s audited consolidated financial statements and the report of the auditor thereon, and management’s discussion and analysis for the financial year ended December 31, 2023.

If you are a *registered shareholder* of the Company on the Canadian share register and are unable to attend the Meeting in person, please properly complete, sign, date and return the enclosed form of proxy to the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada by mail at: 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by fax at: wwithin North America 1-866-249-7775 or outside North America 416-263-9524, Attention: Proxy Department. To vote by internet, please access the web site address specified on the form of proxy and follow the online voting instructions. Proxies must be received no later than 9:00 a.m. (Toronto time) on February 6, 2025, or if the Meeting is adjourned or postponed, no later than 48 hours preceding the time of such adjourned or postponed meeting (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario). You must complete the additional step of registering such proxyholder with Computershare at <http://www.computershare.com/WaterWaysTech> after submitting your form of proxy in order for such proxyholder to attend and vote at the virtual Meeting.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining, completing and depositing the required form of proxy, you should contact Computershare Trust Company of Canada by telephone at: 1-800-564-6253, or by e-mail at: [service@computershare.com](mailto:service@computershare.com).

**DATED** this 6th day of January, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “*Ohad Haber*”

Chief Executive Officer

**WATER WAYS TECHNOLOGIES INC.**  
**MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 10, 2025**

**This management information circular (the “Circular” or “Information Circular”)) is furnished in connection with the solicitation of proxies by management of the Company (“Management”) for use at the annual and special meeting of holders (collectively, the “Shareholders” or individually, a “Shareholder”) in the capital of the Company (“Common Shares” or “Shares”) to be held virtually on Friday, February 10, 2025, at 9:00 a.m. Eastern Time (US and Canada) by way of live webcast only via Zoom meeting, link and dial in numbers can be found below:**

**Topic:** Water Ways Technologies Inc., Annual and Special Meeting

**Time:** February 10, 2025, 09:00 AM Eastern Time (US and Canada)

**Join Zoom Meeting:** WATER WAYS TECHNOLOGIES INC., ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**Meeting ID:** 827 7518 9587

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- +1 646 931 3860 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US

**Find your local number:** <https://us06web.zoom.us/j/kcDqMZUtYN>

**for the purposes set forth below.** Except to the extent otherwise stated herein, all information set forth herein is given as of the date hereof, and all dollar amounts set forth herein are stated in **Canadian dollars**. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Company. The cost of solicitation will be borne by the Company except for the cost of postage required to return the forms of proxy which will be borne by the individual Shareholders.

In accordance with NI 54-101, arrangements have been made with intermediaries or their nominees (collectively, the “**Intermediaries**”) to forward proxy-related materials to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans. Intermediaries are required to forward such proxy-related materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company has elected not to pay for the delivery of the proxy-related materials to Objecting Beneficial Shareholders (as defined below) by the Intermediaries. As such, Objecting Beneficial Shareholders will not receive the proxy-related materials unless the Intermediaries assume the cost of delivery. The Company is sending the proxy-related materials directly to Non-Objecting Beneficial Shareholders (as defined below), through the services of its transfer agent and registrar, Computershare Trust Company of Canada (“**Computershare Trust**”). The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the proxy-related materials to Shareholders.

### Appointment of Proxies

The individuals named in the form of proxy are officers and/or directors of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend the Meeting and act for such Shareholder on his, her or its behalf other than the persons designated in the enclosed form of proxy. Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy.** In either case, a Shareholder may vote its Common Shares by proxy as follows: (a) by mail or delivery to, or deposited at, the offices of Computershare Trust at: 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, on behalf of the Company; (b) by fax at: (416) 595-9593; or (c) on the internet by accessing the web site address specified on the form of proxy or voting instruction form (if applicable) and by following the online voting instructions. Voting instructions must be received by no later than 9:00 a.m. (Toronto time) on February 6, 2025, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used. If you wish to appoint another person or company to be your proxyholder, you must complete the additional step of registering such proxyholder with Computershare at <http://www.computershare.com/Waterways> after submitting your form of proxy.

### Revocability of Proxy

**A Shareholder giving a proxy has the power to revoke it.** Proxies given by a Shareholder for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a Company, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
  - a. at the office of Computershare Trust, on behalf of the Company, at any time up to and including 9:00 a.m. (Toronto time) on February 6, 2025, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; or
  - b. with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or

(b) in any other manner permitted by law.

### **Exercise of Discretion by Proxy**

**On any ballot that may be called for at the Meeting, the Common Shares represented by such form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder appearing on such form of proxy, and, if a choice is specified therein in respect of any matter to be acted upon, will be voted in accordance with the specification made. In the absence of such specification, such Common Shares will be voted FOR such matter.**

**The form of proxy confers discretionary authority upon the person acting as proxy thereunder with respect to amendments or variations to matters identified below and with respect to other matters which may properly come before the Meeting.** As at the date hereof, Management knows of no such amendments, variations or any other matters, which may properly come before the Meeting.

### **Voting by Beneficial Shareholders**

Only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares or duly appointed proxyholders can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (the “**Beneficial Shareholders**”). If Common Shares are listed in an account statement provided to a Beneficial Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Beneficial Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instructions forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting - the form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.

All references to Shareholders in this Circular are to Shareholders of record unless specifically stated otherwise.

### **Note to Non-Objecting Beneficial Shareholders**

The proxy-related materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (the “**Objecting Beneficial Shareholders**”) and those who do not object to their identity being made known to the issuers of the securities they own (the “**Non-Objecting Beneficial Shareholders**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Shareholders from Intermediaries via their transfer agent in order to distribute proxy-related materials directly to such Non-Objecting Beneficial Shareholders.

The Company or its agent has sent the proxy related materials directly to Non-Objecting Beneficial Shareholders. Such Beneficial Shareholders’ names addresses and information about their holdings of Common Shares have been obtained in accordance with

applicable securities regulatory requirements from the Intermediary holding such information on their behalf. By choosing to send proxy-related materials directly to the Non-Objecting Beneficial Shareholders, the Company (and not the Intermediary holding the information on their behalf) has assumed responsibility for (i) the delivery of the proxy-related materials, and (ii) the execution of proper voting instructions as specified in the request for voting instructions.

### **Voting Securities and Principal Holders Thereof**

The Company has fixed the close of business on January 3, 2025, as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive notice of the Meeting and vote at the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject in the case of voting by proxy to the timely deposit of a properly completed, signed and dated proxy with Computershare as specified herein and in the notice of Meeting).

The authorized capital of the Company consists of an unlimited number of Common Shares, of which 148,785,345 are issued and outstanding as at the Record Date. Each Common Share carries the right to one vote per Common Share. No other voting securities are issued and outstanding as of the Record Date. The quorum required for the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

Except as set forth below, to the knowledge of Management and the directors, as at the date hereof, no person beneficially owns, directly or indirectly, or exercises control or direction over, more than ten percent (10%) of the issued and outstanding Common Shares:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares	Percentage of Voting Rights
Ohad Haber	37,294,000	25%

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

Except as otherwise set out herein, to the best of Management's knowledge, no director or executive officer of the Company, or any person who has held such a position since the beginning of the Company's last fiscal year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, 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.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **1. Audited Financial Statements**

The financial statements for the financial year ended December 31, 2023, and the report of the auditor thereon will be presented before the Meeting. The financial statements for the year ended December 31, 2023, the report of the auditor thereon and management's discussion and analysis for the year ended December 31, 2023, were mailed to Shareholders of the Company who had requested a copy.

#### **2. Fixing the Number of Directors**

Management is seeking Shareholder approval of a resolution fixing the number of members to the board of directors (the “**Board**”) at three and to authorize the Board, at its sole discretion, to increase the number of directors on the Board from three to four at any time after the Meeting and prior to the next annual meeting of Shareholders.

The Board and Management are recommending that the Shareholders vote FOR fixing the number of directors. In order to approve the number of directors, the following ordinary resolutions must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. The complete text of the resolutions which Management intends to place before the Meeting for approval, with or without modification, are as follows:

“IT IS HEREBY RESOLVED, THAT:

- (1) the number of directors be fixed at three and that the directors be authorized, at their sole discretion, to increase the number of directors from three to four at any time after the Meeting and prior to the next annual meeting of Shareholders; and
- (2) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with fixing the number of directors and the foregoing resolution, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolution, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF FIXING THE NUMBER OF DIRECTORS AT THREE (AND TO AUTHORIZE THE BOARD AT ITS SOLE DISCRETION TO INCREASE THE NUMBER OF DIRECTORS ON THE BOARD FROM THREE TO FOUR AT ANY TIME AFTER THE MEETING AND PRIOR TO THE NEXT ANNUAL MEETING OF SHAREHOLDERS), UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS OWN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### **3. Election of Directors**

Three directors are to be elected at the Meeting to serve until the next annual meeting of the shareholders or until their respective successors are duly appointed. All of the following persons whose names are set out below have been nominated by the Board for election as directors at the Meeting. The term of office of all present directors of the Company expires when new directors have been elected at the Meeting.

Pursuant to the Advance Notice Policy previously adopted by the Board on November 28, 2021 and ratified at the Annual and Special Meeting of the shareholders held on December 29, 2021, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy. If no such nominations were received by the Company prior to such date, Management’s nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following tables set out certain information as of the date hereof with respect to the persons being nominated at the Meeting for election as directors.

<b>Name and Province of Residence</b>	<b>Other Offices held with the Company</b>	<b>Current Principal Occupation <sup>(1)</sup></b>	<b>Director since</b>	<b>Number of Common Shares Beneficially Owned or Controlled <sup>(2)</sup></b>
<b>Ohad Haber <sup>(5)</sup></b> Givat Ela, Israel	Director and Chief Executive Officer	CEO of the Company	March 2019	39,000,000
<b>Ronnie Jaegermann <sup>(4)(3)</sup></b> Ramat Hasharon, Israel	Director	Partner at Exiteam	March 2019	1,305,593
<b>Yehuda Doron <sup>(3)(6)</sup></b> Tel-Aviv, Israel	Director	Partner at Medton Hedim, a hearing aid retail chain	March 2019	400,000

**Notes:**

- (1) The information as to principal occupation, business or employment of the nominees is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Company.
- (3) Member of the Audit Committee.

- (4) Mr. Jaegermann also holds 300,000 Options (200,000 Options were granted in 2020 and are exercisable at \$0.06 and 100,000 Options were granted in 2021 and are exercisable at \$0.195). Each of these Options expires five years after their grant.
- (5) Mr. Haber also holds 500,000 Options (200,000 Options were granted in 2020 and are exercisable at \$0.06 and 300,000 Options were granted in 2021 and are exercisable at \$0.195). Each of these Options expires five years after their grant.
- (6) Member of the Compensation Committee.

### ***Corporate Cease Trade Orders***

No proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed director.

### ***Bankruptcies, or Penalties or Sanctions***

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) 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
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

**THE ENCLOSED FORM OF PROXY PERMITS SHAREHOLDERS TO VOTE FOR EACH NOMINEE ON AN INDIVIDUAL BASIS. COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.**

#### **4. Appointment of Auditor**

The directors of the Company propose to nominate BDO- Ziv Haft Consulting and Management Ltd., for appointment as the auditor of the Company to hold office until the next annual meeting of Shareholders. The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Company. BDO- Ziv Haft Consulting and Management Ltd., was first appointed as auditor effective June 12, 2019.

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF BDO- ZIV HAFT CONSULTING AND MANAGEMENT LTD., AS AUDITOR OF THE COMPANY AND THE AUTHORIZING OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS OWN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

## **5. Approval of the Stock Option Plan Resolution**

As the Company's stock option plan (the "**Stock Option Plan**") provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan. Policy 4.4 – *Incentive Stock Options* of the TSX Venture Exchange (the "**Exchange**") requires that the Stock Option Plan receive shareholder approval each year at the annual shareholders' meeting. Accordingly, at the Meeting Shareholders will be asked to consider, and if deemed appropriate, to approve, with or without variation, a resolution approving the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule "A" to the Circular.

### ***Summary of the Stock Option Plan***

The following summary of the Stock Option Plan is qualified in its entirety by the full text of the Stock Option Plan. For the purposes of this Section, terms not defined herein shall have the meaning attributed to them in the Stock Option Plan.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and consultants (the "**Option Plan Eligible Persons**" or "**Participants**") by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth.

Subject to the discretion of the Board, if any Option Plan Eligible Person ceases to be an Option Plan Eligible Person for any reason, other than for cause or death, the options held by such person will terminate on the earlier of (i) the expiry date of the option; and (ii) ninety (90) days from the date such person ceases to be an Option Plan Eligible Person. The Option Plan Eligible Person may exercise any option issued under the Stock Option Plan that is then exercisable at any time within that period unless an existing agreement between the Option Plan Eligible Person and the Company provides for a different period.

In the event that an Option Plan Eligible Person ceases to be an Option Plan Eligible Person because of termination for cause, the options of the Option Plan Eligible Person not exercised at such time shall immediately be cancelled on the date of such termination. In the event of the death of a Participant during the term of the Option Plan Eligible Person's option, the option theretofore granted to the Option Plan Eligible Person shall be exercisable by the Option Plan Eligible Person's heirs or administrators within the period of one (1) year succeeding the Option Plan Eligible Person's death.

The terms of the Stock Option Plan prevail over the terms of any other agreement between the Option Plan Eligible Person and the Company regarding termination provisions.

### ***Approval of the Stock Option Plan***

The Board and Management are recommending that the shareholders vote FOR the approval of the Stock Option Plan. In order to approve the Stock Option Plan, the following ordinary resolutions must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. The complete text of the resolutions which Management intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS HEREBY RESOLVED, THAT:

- (1) the Stock Option Plan, in the form as set forth in Schedule "A" to the Circular, be and is hereby ratified, confirmed and approved; and
- (2) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby."

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM.**

## **6. Other Business**

While there is no other business other than outlined above to be presented to the shareholders at the Meeting, it is intended the proxies hereby solicited will be exercised upon any other matters and proposals which may properly come before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

### **EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

The Company's compensation policies are based on the principles that compensation should, to a significant extent, be reflective of the financial performance of the Company, and that a significant portion of executive officers' and directors' compensation should provide long-term incentives. The Board and compensation committee of the Board (the "**Compensation Committee**") seeks to have compensation of the Company's directors and executive officers set at levels that are sufficiently competitive so that the Company may attract, retain and motivate highly qualified directors and executive officers to contribute to the Company's success. In assessing the overall compensation for directors and executive officers, the Board and Compensation Committee considers the Company's performance, relative stockholder return and industry position, general industry data, and awards given to the Company's executive officers in past years. It is the general compensation philosophy of the Company to provide a blend of base salaries/consulting fees, incentive bonuses and equity-based compensation.

#### ***Elements of Compensation***

##### ***Base Salary/Consulting Fees***

Each Named Executive Officer (as defined below) receives a fee, which constitutes a significant portion of the Named Executive Officer's compensation package. Consulting fees are paid for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's fee is reviewed by the Compensation Committee from time to time.

##### ***Incentive Bonus***

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performances for each officer and employee. Both individual and corporate performances are also taken into account. No bonuses were paid to the Named Executive Officer during the most recently completed financial year.

##### ***Equity-Based Compensation***

The Company's directors, officers, employees and consultants are eligible under the Stock Option Plan to receive grants of stock options. The Stock Option Plan is an important part of the Company's long-term incentive strategy for its officers and directors, permitting them to participate in appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value.

The Board believes that the Stock Option Plan aligns the interests of the Named Executive Officers and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

##### ***Compensation Risk***

The Board has not formally considered the implications of risks associated with the Company's compensation policies and practices as, in their view, the current structure of the Company's executive compensation arrangements is focussed on long-term value and is designed to correlate to the long-term performance of the Company, which includes but is not limited to performance of its share price.

##### ***Financial Instruments***

Except as may be prohibited by law, the Named Executive Officers and directors are not currently prohibited from purchasing financial instruments, such as 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 granted as compensation or held, directly or indirectly, by a Named Executive Officer or director. To the Company's knowledge, no executive officer or director of the Company has entered into or purchased such a financial instrument. The Company's Insider Trading Policy stipulates that insiders of the Company are prohibited from short-selling the securities of the Company for the purpose of realizing the short-term profits.

### ***Share-based and option-based Awards***

As discussed above, the Stock Option Plan is maintained for the directors, officers, consultants and employees of the Company and any present and future subsidiary of the Company. The CEO will make initial recommendations to the Compensation Committee on the setting of option grants, taking into account the seniority and contribution of the individuals eligible for the grants and the number of previously granted stock options. The Compensation Committee will then recommend to the Board for approval all incentive compensation for the executives of the Company, based on both individual and Company performance in any given year, and will take into consideration the levels of compensation paid to persons in the same or similar management positions at comparable companies, in making such recommendations.

#### ***Option-based Awards***

Pursuant to the Stock Option Plan, an option exercise price cannot be less than the closing price of the Common Shares on the Exchange on the last trading day preceding the option grant. The purchase price for the Common Shares under each option shall be determined by the Compensation Committee. The maximum term is ten (10) years. There are no specific vesting provisions under the Stock Option Plan. Options are non-assignable and non-transferable other than by will or by the laws of descent and distribution. As at the date hereof, there are 2,210,000 stock options outstanding under the Stock Option Plan, which represents approximately 15% of the Common Shares available for issuance under the Stock Option Plan. Please see “Particulars of Matters to be Acted Upon – Approval of the Stock Option Plan” below, for a summary of the Stock Option Plan.

#### ***Compensation Governance***

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee. The Compensation Committee is composed of Messrs. Doron and Jaegermann, all of whom are independent as such term is defined in National Instrument 58-101, *Disclosure of Corporate Governance Practices* (“NI 58-101”).

The Compensation Committee meets at least once a year to, amongst other things, review and approve the Company’s goals and objectives relating to the compensation of the Company’s executive officers, evaluate the performance of the Company’s executive officers in light of such goals and objectives, and set the compensation level, perquisites and other benefits of the Company’s executive officers. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Company’s compensation policies and practices. Each of the members of the Compensation Committee has experience on the board of directors and related committees of other public companies.

Neither the Board nor the Compensation Committee has, at any time since the Company’s most recently completed fiscal year, retained a compensation consultant or advisor to assist the Board or the Compensation Committee in determining the compensation for any of the Company’s executive officers’ or directors’ compensation.

#### **Summary Compensation Table – Named Executive Officers**

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**”):

- (a) the Company’s Chief Executive Officer (“**CEO**”);
- (b) the Company’s Chief Financial Officer (“**CFO**”);
- (c) the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as of December 31, 2023, and whose total compensation was more than \$150,000 for the financial year ended December 31, 2023, of which there is one; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year, of which there are none.

During the financial year ended December 31, 2023, the Company had four Named Executive Officers, being Ohad Haber (CEO), Amir Eylon (VP Operations and Projects), Dor Sneh (former CFO) and Asi Levi (CFO).

The following table is a summary of compensation paid to the Named Executive Officers for the three most recently completed financial years ended December 31, 2023, 2022, 2021:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans <sup>(2)</sup>			
Ohad Haber, CEO	2021	185,264	54,000	58,500	Nil	Nil	40,593	Nil	338,357
	2022	215,174	Nil	Nil	Nil	Nil	43,032	Nil	258,206
	2023	72,647	Nil	Nil	Nil	Nil	20,315	Nil	92,962
Guy Nathanzon, CFO	2021	54,200	13,500	29,250	Nil	Nil	11,501	Nil	108,451
Dor Sneh, CFO	2021	119,014	6,750	19,500	Nil	Nil	28,343	Nil	173,607
	2022	151,110	Nil	Nil	Nil	Nil	40,827	Nil	191,937
	2023	132,348	Nil	Nil	Nil	Nil	35,660	Nil	168,007
Asi Levi, CFO <sup>(1)</sup>	2023	16,250	Nil	Nil	Nil	Nil	Nil	Nil	16,250
Amir Eylon, Vice President of Operations and Projects	2021	52,509	13,500	39,000	Nil	186,090	11,893	Nil	302,992
	2022	52,414	Nil	Nil	Nil	Nil	11,972	Nil	64,386
	2023	24,314	Nil	Nil	Nil	Nil	3,728	Nil	28,042

**Notes:**

- Mr. Levi was appointed as a Chief Financial Officer of on November 26, 2023.
- The Long Term Incentive plan relates to bonus paid as a commission in respect of sales during the applicable period.

**Incentive Plan Awards**

**Outstanding share-based awards and option-based awards**

The following table is a summary of option awards granted to the Named Executive Officers that were outstanding as of December 31, 2023:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) as of December 31, 2023 <sup>(1)</sup>
Ohad Haber	200,000	0.06	13/05/2025	128,000
Ohad Haber	300,000	0.195	28/8/2026	151,500
Dor Sneh	100,000	0.195	28/8/2026	50,500
Amir Eylon	200,000	0.195	28/8/2026	101,000

**Notes:**

- Calculated based on the difference between the closing price of CAD\$0.70 per common share as at December 31, 2023, and the exercise price of the options, multiplied by the number of unexercised options.

**Value Vested or Earned During the Year ended December 31, 2023**

Name	Option – based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
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	(\$)	(\$)	(\$)
Ohad Haber	Nil	Nil	Nil
Dor Sneh	Nil	Nil	Nil
Amir Eylon	Nil	Nil	Nil

### **Pension Plan Benefits**

No benefits were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under any pension or retirement plan except for the above mentioned pension value.

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

The Corporation has entered into employment agreements with each of its Chief Executive Officer and Chief Financial Officer.

#### ***Ohad Haber***

The executive employment agreement of Ohad Haber (the “**Ohad Agreement**”) entitles any party thereto to terminate the agreement, at any time, with three hundred and sixty five (365) days prior written notice. In the event of termination by the Company for Good Reason (as such term is defined in the Ohad Agreement), Ohad Haber will be entitled to a termination payment in an amount equal to three times his last annual salary and bonuses received, if any, and all of the stock options held by Ohad Haber will vest immediately.

Notwithstanding the foregoing, in the event of a material default in the performance of the Ohad Agreement by Ohad Haber, the Company may terminate the Ohad Agreement, without notice, provided that if such breach is reasonably curable, provided that Ohad Haber has been provided a reasonable opportunity to cure such breach.

The Ohad Agreement provides that should a transaction occur (a “**COC Transaction**”) that results in a Change of Control (as such term is defined in the Ohad Agreement), Ohad Haber would be entitled to a bonus in an amount equal to three times his annual salary and bonuses received, if any.

#### ***Asi Levi***

The executive employment agreement of Asi Levi (the “**Asi Agreement**”) entitles any party thereto to terminate the agreement, at any time, with thirty (30) days prior written notice.

Notwithstanding the foregoing, in the event of a material breach by Asi Levi, the Company may terminate the Asi Agreement, without notice, provided that if such breach is reasonably curable, provided that Asi Levi has been provided a reasonable opportunity to cure such breach.

The Asi Agreement provides that should a completion of a financing occur, Asi Levi would be entitled to a bonus in an amount of \$15,000, and in the event of an uplisting to Nasdaq, Asi Levi would be entitled to a bonus in the amount of \$30,000.

### **Directors Compensation**

#### ***Director Compensation Table***

The following table is a summary of compensation paid to the directors of the Company, other than: (i) directors who are also Named Executive Officers; and (ii) directors who were appointed during the fiscal year 2023 who did not receive any compensation from the Company in any other role during fiscal 2023, for the three most recently completed financial years ended December 31, 2023:

Name and principal position <sup>(1)</sup>	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensat	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
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					ion (\$)			
Ronnie Jaegermann, Director and Consultant	2021	60,000	47,250	19,500	Nil	Nil	Nil	126,750
	2022	60,000	Nil	Nil	Nil	Nil	Nil	60,000
	2023	15,000	Nil	Nil	Nil	Nil	Nil	15,000
James Richardson, Director	2021	Nil	54,000	19,500	Nil	Nil	Nil	73,500
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Lanthier, Director	2021	Nil	54,000	19,500	Nil	Nil	Nil	73,500
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yehuda Doron, Director	2021	Nil	54,000	19,500	Nil	Nil	Nil	73,500
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Information regarding Mr. Haber is set out above under “Summary Compensation Table – Named Executive Officers”.

**Incentive Plan Awards**

***Outstanding share-based awards and option-based awards***

The following table is a summary of option awards granted to the directors of the Company, other than directors who are also Named Executive Officers, that were outstanding as of December 31, 2023:

Name	Option-based Awards <sup>(1)</sup>			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) as of December 31, 2023 <sup>(1)</sup>
Ronnie Jaegermann	200,000	0.06	13/5/2025	128,000
Ronnie Jaegermann	100,000	0.195	28/8/2026	50,500
Yehuda Doron	200,000	0.06	13/5/2025	128,000
Yehuda Doron	100,000	0.195	28/8/2026	50,500
James Lanthier	100,000	0.195	28/8/2026	50,500
James Richardson	100,000	0.195	28/8/2026	50,500

**Notes:**

- (1) Information regarding Mr. Haber is set out above under “Summary Compensation Table – Named Executive Officers”. Calculated based on the difference between the closing price of CAD\$0.70 per common share as at December 31, 2023, and the exercise price of the options, multiplied by the number of unexercised options.

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

Name	Option – based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation –
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	(\$)	(\$)	Value earned during the year (\$)
Ronnie Jaegermann	Nil	Nil	Nil
Yehuda Doron	Nil	Nil	Nil
James Lanthier	Nil	Nil	Nil
James Richardson	Nil	Nil	Nil

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table is a summary of compensation plans under which equity securities of the Company are authorized for issuance as at the financial year ended December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights \$	Number of securities remaining available for future issuance under equity compensation plans (excluding securities listed in the first column) <sup>(1)</sup>
<b>Equity compensation plans approved by securityholders</b>			
Stock Option Plan	5,983,527	0.12	8,895,007
Restricted Share Unit Plan	N/A	N/A	14,878,534
<b>Equity compensation plans not approved by securityholders</b>	N/A	N/A	N/A
Total	Nil	N/A	23,773,541

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

No executive officer, director or employee, or former executive officer, director or employee of the Company or any of its subsidiaries was indebted to the Company or any of its subsidiaries as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Circular, to the knowledge of the Company, no informed person of the Company, nominee for election as director of the Company, or any associate or affiliate of an informed person or nominee, has had or has any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

### CORPORATE GOVERNANCE PRACTICES

Pursuant to NI 58-101, the Company is required to disclose information relating to its corporate governance practice. The Company's statement of "Corporate Governance Practices", approved by the Board, is attached to this Circular as Schedule "B".

## AUDIT COMMITTEE

Pursuant to National Instrument 52-110 – *Audit Committees* (“NI 52-110”), the Company is required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee’s charter, composition of the Audit Committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its Audit Committee:

### Audit Committee’s Charter

The charter of the Audit Committee is attached to this Circular as Schedule “C”.

### Composition of Audit Committee

The Audit Committee has been comprised of Messrs. Doron, Haber and Jaegermann. Messrs. Doron and Jaegermann have been determined by the Board to be “independent” (as such term is defined in NI 52-101) and “financially literate” (as such term is defined in NI 52-110), having the ability to understand and critically evaluate the financial statements of the Company. The Board made this determination based on the experience of each Audit Committee member.

### Relevant Education and Experience

*Yehuda Doron, Chairman*

Mr. Doron has founded and run several businesses based in Israel. He is currently a Managing Director at Medton Hedim, a hearing aid retail and manufacturing company and a Chairman of Polymer G, an innovative chemical company. Formerly Mr. Doron served as a partner at Orr Community Ventures - a \$40M fund providing equity capital to SMEs located in Israel's most under-developed regions, and as a CEO of various retail and manufacturing businesses. Mr. Doron holds a degree in business and economics management from Tel Aviv University.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company’s external auditors not been adopted by the Board.

### Assessments

The Board does not make regular formal assessments of the Board, its committees or its members. Rather, from time to time, the Board satisfies itself on an informal basis that its members and audit committee are performing effectively; in this respect, from time to time, the Board reviews and considers the size of the Board in relation to the needs of the Corporation, with a view of facilitating effective decision-making and identifying and selecting individuals qualified to become new Board members.

### Audit Fees

Aggregate fees paid or to be paid to the Auditor during the fiscal periods indicated were as follows:

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Audit Fees <sup>(1)</sup>	\$97,237	\$100,952
Audit-related Fees <sup>(1)</sup>	Nil	Nil
Tax Fees <sup>(2)</sup>	Nil	Nil
All Other Fees <sup>(3)</sup>	Nil	Nil
<b>Total</b>	<b>\$97,237</b>	<b>\$100,952</b>

### Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other row.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company, including financial statements for the financial year ended December 31, 2023, and the report of the auditor thereon, is available on SEDAR+ at [www.sedarplus.ca.com](http://www.sedarplus.ca.com). Financial information is provided in the Company's audited consolidated financial statements and the Company's management's discussion and analysis for the financial year ended December 31, 2023. A copy of the Company's audited consolidated financial statements and management's discussion and analysis can be obtained by emailing the Company at [ohad@irri-altal.com](mailto:ohad@irri-altal.com).

## SCHEDULE "A" STOCK OPTION PLAN

### 1. THE PLAN

A stock option plan (the "**Plan**"), pursuant to which options to purchase common shares in the capital of the Corporation (as hereinafter defined), or such other shares as may be substituted therefor ("**Shares**" or "**Common Shares**"), in the capital of Water Ways Technologies Inc. (the "**Corporation**") may be granted to the directors, officers and employees of the Corporation and to consultants retained by the Corporation, is hereby established on the terms and conditions set forth herein.

### 2. PURPOSE

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

### 3. ADMINISTRATION

- (a) This Plan shall be administered by the board of directors of the Corporation (the "**Board**").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as defined in paragraph 3(d) below), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.
- (d) Options to purchase the Shares granted hereunder ("**Options**") shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

### 4. SHARES SUBJECT TO PLAN

- (a) Subject to Section 15 below, the securities that may be acquired by Participants upon the exercise of Options shall be deemed to be fully authorized and issued Shares of the Corporation. Whenever used herein, the term "Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.
- (b) The aggregate number of Shares reserved for issuance under this Plan, shall not, at the time of the stock option grant, exceed ten percent (10%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold.
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any un-purchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

### 5. MAINTENANCE OF SUFFICIENT CAPITAL

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

## 6. ELIGIBILITY AND PARTICIPATION

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
- (i) directors of the Corporation;
  - (ii) officers of the Corporation;
  - (iii) employees of the Corporation; and
  - (iv) Consultants (as such term is defined in Policy 4.4 (“**Policy 4.4**”) of the TSX Venture Exchange (the “**TSXV**”);
- (any such person having been selected for participation in this Plan by the Board is herein referred to as a “**Participant**”).
- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.
- (c) The Corporation represents that, for any Options granted to an officer, employee or consultant of the Corporation, such Participant is a bona fide officer, employee or consultant of the Corporation.

## 7. EXERCISE PRICE

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. In addition, the exercise price of an Option must be paid in cash. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price or the extending of the Option Period (as defined below), if the affected Participant is an insider (as defined in the *Securities Act* (Ontario)) of the Corporation at the time of the proposed amendment.

## 8. NUMBER OF OPTIONED SHARES

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) The maximum number of Common Shares which may be issued to:
- (i) any Consultant in any twelve (12) month period under this Plan may be no more than two percent (2%) of the number of Common Shares outstanding, on a non-diluted basis, at the time of grant, as confirmed by the transfer agent and registrar for the Common Shares (the “**Outstanding Shares**”) of the Corporation; and
  - (ii) all Participants conducting Investor Relations Activities (as such term is defined in Policy 1.1 of the TSXV (“**Policy 1.1**”)) for the Corporation in any twelve (12) month period may be, in aggregate, no more than two percent (2%) of the Outstanding Shares of the Corporation,

less the aggregate number of shares reserved for issuance or issuable under any other Security Based Compensation Plan (as defined in Policy 4.4) of the Corporation.

- (b) Unless the Corporation has received the requisite approval of disinterested shareholders of the Corporation voting at a duly called and held meeting of such shareholders,;
- (i) the maximum number of Common Shares which may be issued to any individual in any twelve (12) month period under this Plan may be no more than five percent (5%) of the Outstanding Shares of the Corporation, less the aggregate number of shares reserved for issuance or issuable under any other Security Based Compensation Plan of the Corporation;
  - (ii) the aggregate number of Common Shares reserved for issuance to Insiders (as a group) under the Plan and any other Security Based Compensation may be no more than ten percent (10%) of the Outstanding Shares of the Corporation at any point in time, and

- (iii) the aggregate number of Common Shares for issuance to Insiders (as a group) in any twelve (12) month period under the Plan and any other Security Based Compensation may be no more than ten percent (10%) of the Outstanding Shares of the Corporation calculated as at the date of grant or issued to any Insider;

## 9. TERM

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

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date that the Option is granted unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed and as specifically provided by the Board and as permitted under the rules of any stock exchange or exchanges on which the Shares are then listed, and in any event, no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part (for greater certainty Options granted to Investor Relations Service Providers (as such term is defined in Policy 4.4 of the TSXV) may not be accelerated without the prior approval of the TSXV) ; and
- (d) any Options granted prior to the completion of a Qualifying Transaction (as such term is defined in the rules of the TSXV) to any Participant that does not continue as a director, officer, consultant or employee (as the case may be) after the completion of a Qualifying Transaction have a maximum term of the later of 12 months after the completion of a Qualifying Transaction and 90 days after the Participant ceases to be a director, officer, consultant or employee following the Qualifying Transaction; and
- (e) any Options granted after completion of a Qualifying Transaction to any participant must expire within 90 days after the Participant ceases to be a Participant, and within 30 days for any Participant engaged in investor relation activities after such Participant ceases to be employed to provide investor relation activities.

## 10. METHOD OF EXERCISE OF OPTION

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Toronto, Ontario:
  - (i) a written notice expressing the intention of such Participant (or his legal, personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and
  - (ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.
  - (a) Notwithstanding Section 10(c)(ii), Options, but excluding options held by a Participant engaged in Investor Relations Activities, may be exercised without the Participant making any cash payment so the Corporation does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Shares that is the equal to the quotient obtained by dividing:
    - a. the product of the number of options being exercised multiplied by the difference between the VWAP (as such term is defined in Policy 4.4) of the underlying Shares and the exercise price of the subject options; by

- b. the VWAP of the underlying Shares.

## **11. CEASING TO BE A DIRECTOR, OFFICER, EMPLOYEE OR CONSULTANT**

If any Participant shall cease to hold the position or positions of director, officer, consultant or employee of the Corporation (as the case may be) for any reason other than death or as set out in Sections 9(d) and 9(e), his Option will terminate at 4:00 p.m. (Toronto time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation as the case may be, and ceases to actively perform services for the Corporation. An Option granted to a Participant who performs investor relations services on behalf of the Corporation shall terminate on the date of termination of the employment or cessation of services being provided and shall be subject to Exchange policies and procedures for the termination of Options for investor relations services. For greater certainty, the termination of any Options held by the Participant, and the period during which the Participant may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or consultant of the Corporation (as the case may be).

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

## **12. DEATH OF A PARTICIPANT**

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

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

## **13. RIGHTS OF PARTICIPANTS**

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

## **14. PROCEEDS FROM EXERCISE OF OPTIONS**

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

## **15. ADJUSTMENTS**

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. Any adjustment to the number of Shares subject to the Plan other than in the case of a subdivision or consolidation (including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization) is subject to prior acceptance of the TSX Venture Exchange.
- (b) Adjustments permitted under Section 15 (a) shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

## **16. CHANGE OF CONTROL**

Notwithstanding the provisions of section 11 or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

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

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

## **17. TRANSFERABILITY**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

## **18. AMENDMENT AND TERMINATION OF PLAN**

The Board may, at any time, suspend or terminate this Plan. The Board may also, at any time, amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any Options theretofore granted under this Plan.

## **19. NECESSARY APPROVALS**

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

## **20. STOCK EXCHANGE RULES**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

## **21. RIGHT TO ISSUE OTHER SHARES**

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

## **22. NOTICE**

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

## **23. GENDER**

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

#### **24. SUB PLAN FOR PARTICIPANTS SUBJECT TO ISRAELI TAXATION**

Any Participants who are resident in Israel shall be subject to the Sub Plan attached hereto as Appendix "A" (the "**102 Plan**"). For greater certainty any issuances to Participants subject to the 102 Plan shall only be issuable provided they do not contradict the regulations of the TSXV.

#### **25. INTERPRETATION**

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

## APPENDIX "A"

### 1. GENERAL

- 1.1. This Annex (the: "**Israeli Annex**") shall apply only to Grantees who are residents of the State of Israel at the Date of Grant or those who are deemed to be residents of the State of Israel for the payment of tax at the Date of Grant. The provisions specified hereunder shall form an integral part of the Stock Option Plan (hereinafter: the "**Plan**") of **Water Ways Technologies Inc.**, which applies to the issuance of Award to purchase shares of **Water Ways Technologies Inc.** (hereinafter: the "**Company**"). According to the Plan, Award to purchase the Company's Shares may be issued to employees, directors, consultants and service providers of the Company or its affiliates.
- 1.2. This Israeli Annex is effective with respect to Award granted following Amendment no. 132 of the Ordinance, which entered into force on January 1, 2003.
- 1.3. This Annex is to be read as a continuation of the Plan and only modifies award granted to Israeli Grantees so that they comply with the requirements set by Israeli law in general, and in particular with the provisions of Section 102 (as specified herein), as may be amended or replaced from time to time. For the avoidance of doubt, this Annex does not add to or modify the Plan in respect of any other category of Grantees.
- 1.4. The Plan and this Annex are complementary to each other and shall be deemed as one. In any case of contradiction, whether explicit or implied, between the provisions of this Annex and the Plan, the provisions set out in the Plan shall prevail.

### 2. DEFINITIONS

For purposes of this Israeli Annex and the Israeli Grant Notification Letter, the following definitions shall apply:

- (a) "**Affiliate**" - any "employing company" within the meaning of Section 102(a) of the Ordinance.
- (b) "**Approved 102 Award**" - an Award granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Grantee.
- (c) "Award" means an Option (as such term is defined in the Plan).
- (d) "**Capital Gain Award (CGA)**" - an Approved 102 Award elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) or Section 102(b)(3) of the Ordinance.
- (e) "**Controlling Shareholder**" - shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- (f) "**Employee**" - a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding any Controlling Shareholder, all as determined in Section 102 of the Ordinance.
- (g) "**ITA**" - the Israeli Tax Authorities.
- (h) "**Non-Employee**" - a consultant, adviser, service provider, Controlling Shareholder or any other person or entity which are not an Employee.
- (i) "**Ordinary Income Award (OIA)**" - an Approved 102 Award elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.
- (j) "**102 Award**" - any Award granted to Employees pursuant to Section 102 of the Ordinance.
- (k) "**3(i) Option**" - an Option granted pursuant to Section 3(i) of the Ordinance to any person who is a Non-Employee.
- (l) "**Ordinance**" - the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.
- (m) "**Section 102**" - Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.
- (n) "**Trustee**" - any individual or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.
- (o) "**Unapproved 102 Award**" - an Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

For the avoidance of any doubt, it is hereby clarified that any capitalized terms not specifically defined in this Israeli Annex shall be construed according to the interpretation given to it in the Plan.

### 3. ISSUANCE OF AWARD

- 3.1 The persons eligible for participation in the Plan as Grantees shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Award; and (ii) Non-Employees and/or Controlling Shareholders (provided that such Non-Employees and/or Controlling Shareholders are Participants (as such term is defined in the Plan) may only be granted 3(i) Options.
- 3.2 The Company may designate Award granted to Employees pursuant to Section 102 as Unapproved 102 Award or Approved 102 Award.
- 3.3 The grant of Approved 102 Award shall be made under this Israeli Annex adopted by the Board and shall be conditioned upon the approval of this Israeli Annex by the ITA.
- 3.4 Approved 102 Award may either be classified as Capital Gain Award (CGA) or Ordinary Income Award (OIA).
- 3.5 No Approved 102 Award may be granted under this Israeli Annex to any eligible Employee, unless and until, the Company's election of the type of Approved 102 Award as CGA or OIA granted to Employees (the "**Election**"), is appropriately filed with the ITA. Such Election shall become effective beginning the first date of grant of an Approved 102 Award under this Israeli Annex and shall remain in effect at least until the end of the year following the year during which the Company first granted Approved 102 Award. The Election shall obligate the Company to grant only the type of Approved 102 Award it has elected and shall apply to all Grantees who were granted Approved 102 Award during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Award simultaneously.
- 3.6 All Approved 102 Award must be held in trust by a Trustee, as described in Section 4 below.
- 3.7 For the avoidance of doubt, the designation of Unapproved 102 Award and Approved 102 Award shall be subject to the terms and conditions set forth in Section 102.

### 4. TRUSTEE

- 4.1 Approved 102 Award which shall be granted under this Israeli Annex and/or any Shares allocated or issued upon exercise of such Approved 102 Award and/or other shares received subsequently following any realization of rights, , shall be allocated or issued to the Trustee and held for the benefit of the Grantees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the: "**Holding Period**"). In the case the requirements for Approved 102 Award are not met, the Approved 102 Award may be regarded as Unapproved 102 Award, all in accordance with the provisions of Section 102.
- 4.2 Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Award prior to the full payment of the Grantee's tax liabilities arising from Approved 102 Award which were granted to him and/or any Shares allocated or issued upon exercise of such Award.
- 4.3 With respect to any Approved 102 Award, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, a Grantee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Award and/or any share received subsequently following any realization of rights, , until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Grantee.
- 4.4 Upon receipt of Approved 102 Award, the Grantee will sign an undertaking in which he or she will give his or her consent to the grant of the Award under Section 102 and will undertake to comply with the terms of Section 102 and the trust agreement between the Company and the Trustee.

### 5. THE AWARD

The terms and conditions, upon which the Award shall be issued and exercised, shall be as specified in the Israeli Grant Notification Letter to be executed pursuant to the Plan and to this Israeli Annex in the form approved by the Board from time to time. Each Israeli Grant Notification Letter shall state, inter alia, the number of Shares to which the Award relates, the type of Award granted thereunder

(whether a CGA, OIA, Unapproved 102 Award or a 3(i) Option), the vesting and expiration provisions and the Purchase Price and any other terms and conditions set by the Board in accordance with the Plan and this Israeli Annex.

## **6. FAIR MARKET VALUE**

Without derogating from the definition of “Fair Market Value” enclosed in the Plan and solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the date of grant the Company’s shares are listed on any Share Exchange or if the Company’s shares will be registered for trading within ninety (90) days following the date of grant of the CGAs, the fair market value of the Shares at the date of grant shall be determined in accordance with the average value of the Company’s shares on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trading, as the case may be.

## **7. EXERCISE OF AWARD**

7.1 Award shall be exercised by the Grantee by giving a written notice to the Company and/or to any third party designated by the Company (the: “**Representative**”), in such form and method as may be determined by the Company and, when applicable, by the Trustee, in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Purchase Price for the number of Shares with respect to which the award is being exercised, at the Company’s or the Representative’s principal office. The notice shall specify the number of Shares with respect to which the award is being exercised.

7.2 Without derogating from Section 4.3 of this Annex, and in addition thereto, with respect to Approved 102 Award, any shares of an Ordinary Share allocated or issued upon the exercise of an Approved 102 Award, shall be voted in accordance with the provisions of Section 102 and any rules, regulations or orders promulgated thereunder.

## **8. ASSIGNABILITY AND SALE OF AWARD**

8.1 Notwithstanding any other provision of the Plan, no Award or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to them given to any third party whatsoever, other than by will or by laws of descent and distribution, or as specifically otherwise allowed under the Plan, except as specifically allowed under the Plan, and during the lifetime of the Grantee each and all of such Grantee's rights to purchase Shares hereunder shall be exercisable only by the Grantee.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void

8.2 As long as Award or Shares purchased pursuant thereto are held by the Trustee on behalf of the Grantee, all rights of the Grantee over the shares are personal, cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

## **9. INTEGRATION OF SECTION 102 AND TAX ASSESSING OFFICER’S PERMIT**

9.1 With regards to Approved 102 Award, the provisions of the Plan and/or the Israeli Annex and/or the Israeli Grant Notification Letter shall be subject to the provisions of Section 102 and the Tax Assessing Officer’s permit, and the said provisions and permit shall be deemed an integral part of the Plan and of the Israeli Annex and of the Israeli Grant Notification Letter.

9.2 Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the Plan or the Israeli Annex or the Israeli Grant Notification Letter, shall be considered binding upon the Company and the Grantees.

## **10. DIVIDEND**

Subject to the Company’s Articles of Association, with respect to all Shares (but excluding, for avoidance of any doubt, any unexercised Award) allocated or issued upon the exercise of Award and held by the Grantee or by the Trustee as the case may be, the Grantee shall be entitled to receive dividends in accordance with the quantity of such Shares, and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

## **11. TAX CONSEQUENCES**

11.1 Any tax consequences arising from the grant or exercise of any Award, from the payment for Shares covered thereby or from any other event or act (of the Company, and/or its Affiliates, and the Trustee or the Grantee), hereunder, shall be borne

solely by the Grantee. The Company and/or its Affiliates, and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Grantee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Grantee.

- 11.2 The Company and/or, when applicable, the Trustee shall not be required to release any share certificate to a Grantee (or the registration company) until all required payments have been fully made.
- 11.3 With respect to Unapproved 102 Award, if the Grantee ceases to be employed by the Company or any Affiliate, the Grantee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

## **12. GOVERNING LAW & JURISDICTION**

This Israeli Annex shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel Aviv-Yafo shall have sole jurisdiction in any matters pertaining to this Israeli Annex.

## SCHEDULE "B" CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are governed by National Policy 58-201, *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101, *Disclosure of Corporate Governance Practices* (the "**Disclosure Rule**"), adopted by the securities regulatory authorities in Canada. Corporate governance practices are established in order to provide greater transparency for the marketplace regarding an issuer's corporate governance practices. Set out below is a description of the Company's approach to corporate governance, based on the Guidelines and requirements prescribed by the Disclosure Rule.

### Composition of the Board of Directors

The Board is currently comprised of three directors. Pursuant to NI 52-110, a director is considered to be "independent" if he or she does not have a direct or indirect material relationship with the Company that could, in the view of the Board, be reasonably expected to interfere with the exercise of his or her independent judgment.

The Board determined that the following directors, nominated for re-election, are independent for the purpose of NI 58-101:

- (1) Yehuda Doron.

The Board determined that the following directors, nominated for re-election, were not independent for the purpose of NI 58-101:

- (1) Ohad Haber (by virtue of being the CEO of the Company);
- (2) Ronnie Jaegermann (by virtue of being a consultant to the Company).

### Other Public Company Directorships

In the case of directors of the Corporation and the nominees for election who are presently also directors of reporting issuers in Canada and in a foreign jurisdiction, their names and the name and jurisdiction of the reporting issuer are shown in the following table:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Ronnie Jaegermann	Cann-Is Capital Corporation	TSXV	CFO	September 2018	Present
Ronnie Jaegermann	Adcore Inc.	TSXV	Director	May 2019	Present
Ronnie Jaegermann	Reem Capital Corporation	TSXV	Director	September 2022	Present

### Orientation and Continuing Education

The Board is responsible for the orientation and education of new recruits to the Board and ensures that new directors of the Company are provided with comprehensive information about the nature and operations of the Company, the role of the Board, the role of the Board committees, and the contributions expected of the directors. New directors also have an opportunity to meet with Management of the Company to obtain insight into the Company's business. All of the members of the Board are encouraged to communicate with Management, auditors and consultants to remain current with industry trends, developments, and changes in applicable legislation. As part of the annual Board assessment process the Board determines whether any additional education and training is required for Directors.

### Ethical Business Conduct

Water Ways has adopted the existing anti-bribery and anti-corruption policy of Irri-Al-Tal (the "**Anti-Bribery and Anti-Corruption Policy**"). The Anti-Bribery and Anti-Corruption Policy is intended to ensure that the business activities of Irri-Al-Tal are conducted in an honest and ethical manner, with a zero-tolerance approach to bribery and corruption. The Anti-Bribery and Anti-Corruption Policy applies to all directors, officers, employees, consultants and contractors of IrriAl-Tal and compliance with the Anti-Bribery and Anti-

Corruption Policy constitutes terms of service, employment and engagement, as the case may be. The Anti-Bribery and Anti-Corruption Policy prohibits corrupt practices such as acceptance or offering of bribes, inducements, advantages or kickbacks, and all directors, officers, employees, consultants and contractors of Irri-Al-Tal are required to comply with and report any violations of the Anti-Bribery and Anti-Corruption Policy. Violations of the Anti-Bribery and Anti-Corruption Policy will be investigated and, if violations are found to have occurred, could result in dismissal for gross misconduct.

### **Nomination of Directors**

The Board is responsible for, among other things, identifying suitable candidates to be recommended for election to the Board by Shareholders or appointment by the directors, subject to the limits in the Company's articles and the *Business Corporations Act* (Ontario). Though there are no specific criteria for Board membership, the Company attempts to attract and retain directors with business knowledge and a particular knowledge of irrigation and development, or other areas such as finance, which would assist in guiding the officers of the Company. As such, nominations are typically the result of recruitment efforts and discussions among the Board.

### **Compensation**

The Compensation Committee is comprised of Messrs. Doron, and Lanthier, all of whom are independent and have direct experience and skills relevant to their responsibilities in executive compensation. The Compensation Committee's responsibilities include reviewing and approving the Company's goals and objectives relating to the compensation of the Company's executive officers, evaluating the performance of the Company's executive officers in light of such goals and objectives, and setting the compensation level, perquisites and other benefits of the Company's executive officers based on this evaluation. The Compensation Committee also advises the Board on recommended compensation for Board members, proposes changes in the compensation of members of the Board or any committee thereof, and retirement policies and programs and perquisites for directors.

### **Assessments**

The Board, its committees and, its individual directors are assessed regularly, and at minimum on an annual basis as to their effectiveness and contribution. The Board monitors, assesses and reviews the performance and effectiveness of the Board and its individual directors. Individual director assessments are determined by examining a number of factors, including attendance at and participation at meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

**SCHEDULE "C"**  
**AUDIT COMMITTEE CHARTER**

**1. PURPOSE AND COMPOSITION**

The purpose of the Audit Committee (the "**Committee**") of Water Ways Technologies Inc. (the "**Corporation**") is to assist the Board of directors (the "**Board**") in reviewing:

- (a) the Corporation's financial disclosure;
- (b) the qualifications and independence of the Corporation's external auditor; and
- (c) the performance of the external auditor.

The Committee of the Corporation shall be composed of not less than three directors of the Corporation, a majority of whom shall be independent within the meaning of NI 52-110, as amended or replaced from time to time.

**2. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

(d) Financial Disclosure

- (i) review the Corporation's:
  - (A) interim and annual financial statements;
  - (B) management's discussions and analyses;
  - (C) interim and annual earnings press releases;
  - (D) annual information forms;
  - (E) Filing Statements;
  - (F) Other documents containing audited or unaudited financial information, at its discretion;
- (ii) report thereon to the Board before such documents are approved by the Board and disclosed to the public;
- (iii) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures.

(e) External Audit

- (i) recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (ii) review and approve the audit plan, the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
- (iii) review the independence of the external auditor;
- (iv) meet with the external auditor and with management to discuss the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any problems that the external auditor experiences in performing the audit;
- (v) review with the external auditor and management any changes in Internationally Accepted Accounting Standards (IFRS) that may be material to the Corporation's financial reporting;

- (vi) review pro forma or adjusted information not in accordance with IFRS;
- (vii) have the authority to communicate directly with the external auditor;
- (viii) require the external auditor to report directly to the Committee;
- (ix) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (x) meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
- (xi) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (xii) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
- (xiii) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with a pre-approval policy, all engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (xiv) review and approve Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- (xv) in the event of a change of auditor, review and approve the Corporation's disclosure relating thereto.

(f) Financial Complaints Handling Procedures

- (i) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (ii) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Notwithstanding the above, the Committee may determine that certain of the above-noted items are not applicable to or appropriate for the Corporation while it remains a Capital Pool Company.

### 3. OPERATION OF THE COMMITTEE

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- (g) **Reporting.** The Committee shall report to the Board.
- (h) **Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- (i) **Advisors.** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation's expense, the compensation of such advisors.
- (j) **Chairman.** The Committee will recommend a director as Chairman of the Committee to the Board for approval. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- (k) **Quorum.** A majority of committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- (l) **Secretary.** The Committee shall appoint a Secretary who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.

- (m) **Calling of Meetings.** A meeting of the Committee may be called by the Chairman of the Committee, by the external auditor of the Corporation, or by any member of the Committee.
- (n) **Notice of Meeting.** Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting. A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- (o) **Auditor's Attendance at Meetings.** The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.
- (p) **Access To Information.** The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.
- (q) **Review Of Charter.** The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.
- (r) **Reporting.** The Chairman of the Committee shall report to the Board, at such times and in such manner, as the Board may from time to time require and shall promptly inform the Chairman of the Corporation of any significant issues raised during the performance of the functions as set out herein, by the external auditor or any Committee member, and shall provide the Chairman copies of any written reports or letters provided by the external auditor to the Committee.

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