

# DIAGNOS Inc.

## Stock option Plan

### 1. Purpose of the plan

The purpose of the plan is to attract, retain and motivate people as directors, senior executives, employees and consultants of the Corporation and to promote the interests of the Corporation by providing such persons with the opportunity, through the granting of stock options, to purchase an interest in the Corporation.

### 2. Definitions

The following expressions shall have the meaning indicated herein.

- 2.1 “Shares” means the common shares of the Corporation or, in the case of the adjustment described in section 8, any other share or security to which a Holder may be entitled when options are exercised as a result of such an adjustment.
- 2.2 “Exchange” means the TSX Venture Exchange and, where the context so requires, any other stock exchange on which the Shares are or may be listed for trading from time to time.
- 2.3 “Board” means the board of directors of the Corporation or, if it is constituted and duly authorized to act, the Executive Committee or any other committee appointed for such purpose by the board of directors of the Corporation.
- 2.4 “Consultant” means a person (including a person whose services are obtained through a personal holding company):
- a) with whom the Corporation has entered into an agreement for important services to be provided by the Consultant;
  - b) who has technical, administrative or business skills which may be useful to the Corporation;
  - c) who spends most of his or her time on the business of the Corporation; and
  - d) who has a relationship with the Corporation which allows him or her to know the Corporation well.
- 2.5 “Market Price of the Shares” means, on any date, the higher of the closing price of the Shares on all Exchanges on the last business day prior to the date on which the granting of Options is approved by the Board. If no Shares are traded during such business day, the Market Price shall be the average of the bid and ask prices for such Shares at market close on the said day. If the Shares are not listed for trading on any stock exchange, the Market Price shall be the fair market value of the Shares as determined by the Board at its complete discretion.
- 2.6 “Holder” means an Eligible Person to whom Options have been granted.

- 2.7 “Subsidiary” means a company or other legal person of whom the Corporation holds 50% plus one or more of the securities giving it the right to vote at any time during annual meetings.
- 2.8 “Insider” means:
- a) an Insider as defined in section 89 of the Quebec *Securities Act* other than a person included in the said definition simply because that person is a director or officer of a Subsidiary; and
  - b) an associate as defined in section 5 of the Quebec *Securities Act* of any person who is an Insider under paragraph a) above.
- 2.9 “Business Day” means any day, other than Saturday or Sunday, on which the Exchange is open for trading.
- 2.10 “Compensatory Mechanism” means any option, stock option plan or share purchase plan for directors or employees, or any other mechanism for remunerating or motivating directors or employees which includes the issuance or eventual issuance of Shares, including the purchase of Shares from Treasury for which the Corporation gives financial assistance by way of a loan, guarantee or otherwise.
- 2.11 “Options” means an option for the purchase of Shares granted under the Plan.
- 2.12 “Eligible Person” means any director, officer, employee, or Consultant of the Corporation.
- 2.13 “Exercise Price” means the purchase price per Share for which the Shares may be purchased under an Option; such price may be adjusted from time to time pursuant to section 8.
- 2.14 “Plan” means the Corporation’s Stock Option Plan as it may be amended from time to time.
- 2.15 “Corporation” means DIAGNOS Inc. or any of its Subsidiaries.
- 2.16 “Management Company Employee” means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.
- 2.17 “Optionee” means the recipient of an incentive stock option.

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

- 3.1 The Plan shall be administered by the Board in accordance with the guidelines and policies of the Exchange which apply to stock option plans. The Board shall receive recommendations from management and shall, from time to time, designate the directors, senior executives, employees, and consultants of the Corporation to whom Options should be granted and shall determine the number of Shares for which

Options will be granted from time to time to any Eligible Person, as well as the terms and conditions of granting.

- 3.2 The Board shall have the power, taking into consideration the general purposes and objectives of the Plan and subject to the specific provisions of the Plan, to:
- a) determine the policies and adopt, prescribe, amend or modify the rules and regulations in order to accomplish the objectives of the Plan, give effect to its provisions and manage it, and do anything it considers necessary with respect to the Plan's management;
  - b) interpret the provisions of the Plan and decide on any matter which may arise as a result of the Plan and any Option granted under the Plan, and any interpretation or decision of the Board shall be final and binding on the parties for all purposes;
  - c) draw up a list of Eligible Persons to whom Options will be granted and grant Options;
  - d) determine the number of Shares associated with each Option;
  - e) determine the Exercise Price;
  - f) determine the amount for which Options will be granted and the period during which Options may be exercised;
  - g) decide whether the Shares under Option will be subject to limitations when the Options are exercised; and
  - h) determine the form of any document relating to the granting, exercise and other terms regarding the Options.

#### **4. Shares subject to the Plan**

- 4.1 Options may be granted with regard to authorized and unissued Shares provided that, the maximum number of Shares reserved by the Corporation for issuance which may be purchased upon exercise of all Options does not exceed 6,000,000.
- 4.2 Shareholders must approve, by a majority of vote, any stock option plan that, together with all of the Corporation's other previously established stock option plans or grants, could result at any time in the number of Listed Shares reserved for issuance under stock options exceeding 10% of the issued Shares.
- 4.3 The Shares issued following the exercise of the Option will be submitted to a detention period of four months from the date of issuance. The Shares under Option which are not exercised shall be available for the granting of subsequent Options under the Plan. No fractional Share shall be issued or purchased under the Plan.

## **5. Eligibility, granting and terms**

Subject to the provisions of this Plan, together with all of DIAGNOS' other compensation or incentive mechanisms involving the issuance or potential issuance of Shares;

- 5.1 Options may only be granted to Eligible Persons.
- 5.2 Options may be granted by the Corporation following recommendations made by the Board from time to time, provided the Board approves such decisions.
- 5.3 The number of Shares relating to each Option, the Exercise Price, the expiry date of each Option, the percentage of each Option which may be exercised from time to time throughout the term of the Option as well as the other terms and conditions relating to each Option shall be determined by the Board. Options granted vest at follows;
  - 50% commencing with the first anniversary of the grant, and
  - 100% commencing with the second anniversary of the grant.
- 5.4 Options are exercisable for a maximum of 5 years from the date of grant.
- 5.5 The price of the Shares under any Option may at no time be less than the Market Price of the Shares on the date the Option is granted.
- 5.6 At any time, the issuance to any one Optionee, within a 12 month period, of Shares cannot exceed 5% of the issued Shares.
- 5.7 No more than 2% of the issued Shares of the Corporation may be granted to any one Consultant in any 12 month period.
- 5.8 The maximum number of Shares which may be reserved for issuance to employees and Consultants that give investor relations services under the Plan and any other Compensatory Mechanism in a 12-month period, may not exceed 2% of the undiluted number of issued and outstanding Shares on the date of granting.
- 5.9 At any time, the number of Shares reserved for issuance under stock options granted to Insiders cannot exceed 10% of the issued Shares.
- 5.10 At any time, the grant to Insiders, within a 12 month period, of a number of options cannot exceed 10% of the issued Shares
- 5.11 Any Option is personal to its Holder and, accordingly, may not be transferred.
- 5.12 Any decrease in the exercise price of an Option granted to an Insider must be approved by the vote of disinterested shareholders of the Corporation.
- 5.13 For stock options granted to employees, or consultants, the Corporation represents that the Optionee is a bona fide employee, or consultant, as the case may be.

## **6. Exercise of Options**

- 6.1 Subject to the provisions of the Plan, a Holder may exercise an Option, from time to time, by delivering a written notice to the head office of the Corporation, to the attention of the Secretary of the Corporation, indicating the number of Shares for which the Option is being exercised, accompanied by payment in full of the Exercise Price of the Shares so purchased. The exercise price of an incentive stock option must be paid in cash. The certificates for such Shares shall be issued and delivered to the Holder within a reasonable time after receipt of such notice and payment.
- 6.2 Notwithstanding any provision of the Plan or of any Option, the Corporation's obligation to issue Shares to a Holder following the exercise of Options shall be subject to the following:
- a) the Corporation shall have completed the registration or other qualification of the Shares and obtained the approval of government or regulatory authorities which the legal representatives of the Corporation consider it necessary or preferable to obtain with respect to the authorization, issuance or sale of the Shares;
  - b) the Shares shall be listed for trading on the Exchange; and
  - c) the Corporation shall have received from the Holder the representations, agreements and undertakings, including those relating to future trading of the Shares, which the Corporation or its legal representatives reasonably consider it necessary or desirable to obtain to prevent the infringement of securities legislation in any jurisdiction.

## **7. Termination of employment, death**

- 7.1 Subject to section 7.4, an Option and any right to purchase resulting therefrom shall expire and terminate no later than 90 days following the date on which the Holder ceases to be an officer or employee of the Corporation (or on the expiry date of the Option in accordance with the terms relating thereto if such date is earlier). The right of a Consultant to an Option and the end of the Option shall comply with the terms hereof, which shall be described in the service agreement entered into between the Consultant and the Corporation.
- 7.2 Subject to section 7.4, an Option and any right to purchase resulting therefrom shall expire and terminate no later than 365 days following the date on which the Holder ceases to be a director of the Corporation (or on the expiry date of the Option in accordance with the terms relating thereto if such date is earlier).
- 7.3 The Options issued to Consultants that gives investor relations services will expire 30 days following the date on which the Holder ceases to be eligible to the Plan.
- 7.4 If, prior to the expiry of an Option in accordance with the terms relating thereto, a Holder's employment contract with the Corporation terminates due to the death of the Holder, the Option may be exercised, subject to the terms relating thereto and to any other term described in the Plan, by the legal representative of the Holder's

estate at any time during the twelve months following the death of the Holder (but before the expiry of the Option in accordance with the terms relating thereto) but only provided the Holder could exercise such Option on the date his or her employment contract terminated.

- 7.5 Neither the change of employment of the Holder within the Corporation nor the fact that the Holder ceases to be a director or officer of the Corporation while remaining its employee shall affect the Options.

## **8. Change of control and certain adjustments**

- 8.1 Subject to the previous approval of the Exchange and notwithstanding any other provision of this Plan:

- a) if a Person who was not, immediately prior to the effective date of acquisition, a beneficial or registered shareholder of the Corporation acquires Shares or rights or options to acquire Shares of the Corporation or securities which may be converted into Shares of the Corporation or any combination thereof so that, after the completion of such acquisition, such person is entitled to exercise 30% or more of the voting rights at a meeting of shareholders; or
- b) if the Corporation sells all or a substantial part of its property or assets,

the Holder shall be entitled to exercise the Options for the total number of remaining Shares within 90 days of the closing of such transaction even if, on the actual date of the transaction, the Holder was not entitled to all the Shares granted under the Option.

- 8.2 The Board shall make the appropriate adjustments with regard to the Options granted or to be granted, with respect to the number of Shares relating to such Options and the Exercise Price in order to take account of the adjustments to the number of Shares of the Corporation resulting from any reclassification, consolidation or split of the Shares of the Corporation, the payment of dividends in Shares or cash dividends (other than dividends in the normal course of business), the distribution of securities, property or assets through dividends or otherwise (other than dividends in the normal course of business) or other relevant changes in the capital stock of the Corporation or the merger of the Corporation with another entity, following approval of the Plan by the Board. The appropriate adjustments with respect to any particular circumstance shall be determined conclusively by the Board at its complete discretion, subject to shareholder approval and acceptance by the Exchange, as the case may be.

## **9. Amendment or end of the Plan**

The Board may at any time terminate the Plan or amend it upon receipt of the necessary regulatory approval, including the approval of the Exchange, provided, however, that such an amendment does not increase the maximum number of Shares which may be granted under the Plan, change the method for determining the Exercise Price or change or amend the terms relating to all Options previously granted to a Holder under the Plan to the detriment of the Holder without the Holder's consent. Any change made to the terms of

an Option shall also be subject to approval by the regulatory authorities, including approval of the Exchange and that of uninterested shareholders, where required by applicable regulations.

**10. General**

- 11.1 The Holder of an Option shall have no rights as a shareholder of the Corporation, with respect to the Shares under Option, until he has exercised such Option according to the terms of the Plan (including the remittance of payment in full of the Exercise Price for the Shares relating to the Options exercised) and the Shares have been issued by the Corporation.
- 11.2 No provision of the Plan or any Option shall give a Holder the right to continue to be an employee of the Corporation nor change, in any manner whatsoever, the right of the Corporation to terminate the Holder's employment at any time. No provision of the Plan or of any Option shall be deemed to constitute or be construed as an agreement to extend or expression of interest on the part of the Corporation in extending the employment of any Holder beyond the time he would normally retire under the terms of any current or future retirement plan of the Corporation, or beyond the time contemplated for his or her retirement under the terms of any employment contract with the Corporation.
- 11.3 To the extent required by law or any regulatory policies and provided it is necessary so that the Shares issued upon the exercise of Options are free of any restriction regarding their resale, the Corporation shall notify the Exchange and any regulatory authority of the granting, exercise or expiry of an Option.
- 11.4 The Corporation shall only grant Options to actual employees, directors, senior executives, or consultants of the Corporation.
- 11.5 The proceeds of the exercise of any Option shall be used for the general needs of the Corporation.

DATED in Brossard, Quebec, the 20<sup>th</sup> day of September, 2019.