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

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 2, 2024

**DIRTT ENVIRONMENTAL SOLUTIONS
LTD**

(Exact name of Registrant as Specified in Its Charter)

Canada
(State or Other Jurisdiction
of Incorporation)

001-39061
(Commission File
Number)

00-0000000
(IRS Employer
Identification No.)

7303 30th Street S.E.
Calgary, Alberta
(Address of Principal Executive Offices)

T2C 1N6
(Zip Code)

Registrant's Telephone Number, Including Area Code: (403) 723-5000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 1.01. Entry into a Material Definitive Agreement.

Convertible Debenture Repurchase Agreement

On August 2, 2024, DIRTT Environmental Solutions Ltd. (the “**Company**” or “**DIRTT**”) entered into a Convertible Debenture Repurchase Agreement (the “**Repurchase Agreement**”) with 22NW Fund LP (“**22NW**”) to purchase for cancellation an aggregate of (i) C\$18,915,000 principal amount of DIRTT’s outstanding 6.00% convertible debentures due January 31, 2026 (the “**January Debentures**”) at a purchase price of C\$684.58 per C\$1,000 principal amount of January Debentures and (ii) C\$13,638,000 principal amount of DIRTT’s outstanding 6.25% convertible debentures due December 31, 2026 (the “**December Debentures**” and together with the January Debentures, the “**Debentures**”) at a purchase price of C\$665.64 per C\$1,000 principal amount of December Debentures, for an aggregate purchase price of C\$22,104,591.45, inclusive of a cash payment for all accrued and unpaid interest up to, but excluding, the date on which such Debentures are purchased by the Company (the “**Debenture Repurchase**”). Pursuant to the Repurchase Agreement, the purchase price of each series of Debentures was calculated a 4% discount to the average trading price of the applicable series of Debentures on the Toronto Stock Exchange for the 20 trading days immediately preceding August 2, 2024. 22NW is DIRTT’s largest shareholder and Aron English, a director of the Company, is the Portfolio Manager of 22NW.

The Debenture Repurchase closed on August 2, 2024 and, as a result, C\$16,642,000 principal amount of the January Debentures and C\$15,587,000 principal amount of the December Debentures remain outstanding, and 22NW no longer holds any Debentures. DIRTT funded the Debenture Repurchase with cash on hand.

The Debenture Repurchase was overseen by a Special Committee of the Board consisting entirely of independent directors, which was established to consider strategic financing alternatives and other matters (the “**Special Committee**”). The Special Committee undertook a deliberate and full consideration of the Debenture Repurchase with the assistance of its external advisors, including the engagement of KPMG LLP (“**KPMG**”), who provided an opinion stating that, subject to the assumptions, limitations and qualifications therein, as of the date thereof, the consideration to be paid by DIRTT pursuant to the Repurchase Agreement was fair, from a financial point of view, to DIRTT (the “**Fairness Opinion**”). KPMG was paid a fixed fee for its services. The Special Committee determined that the Debenture Repurchase was in the best interest of DIRTT and recommended the Board approve the transaction.

The Board considered and evaluated the recommendation of the Special Committee, the Fairness Opinion, discussions with its external advisors, and the funds available to the Company to finance the Debenture Repurchase, among other factors, and determined that the Debenture Repurchase was in the best interest of DIRTT. Mr. English recused himself from all Board meetings, or portions thereof, as applicable, at which the Debenture Repurchase was considered and abstained from voting on the Debenture Repurchase.

Support and Standstill Agreement

Also on August 2, 2024, DIRTT entered into a Support and Standstill Agreement (the “**Support Agreement**”) with 22NW and WWT Opportunity #1 LLC (“**WWT**”). The Support Agreement replaces the previously announced support and standstill agreement entered into with 22NW on March 22, 2024.

Pursuant to the Support Agreement, the Company agreed to nominate each of Aron English (or a replacement director to be identified by 22NW) and Shaun Noll (or a replacement director to be identified by WWT) for election as a director at each of the Company’s annual general meetings of shareholders to be held in 2025 and 2026. The Company’s obligation to nominate each of Aron English and Shaun Noll is subject to 22NW and WWT (together with their affiliates), respectively, continuing to beneficially own, or exercising control or direction over, at least the lesser of (i) 20% of the then issued and outstanding common shares (“**Common Shares**”) and (ii) 38,593,529 Common Shares, in each case, subject to adjustment for stock splits, reclassifications, combinations and similar adjustments.

Further, the Support Agreement provides that at any time prior to the termination of the Support Agreement, WWT may increase the number of Common Shares it beneficially owns, or exercises direction or control over, through market purchases up to and including 38,593,529 (the “**Capped Amount**”), being the number of Common Shares beneficially held by 22NW on the date of the Support Agreement.

Until the termination of the Support Agreement, each of 22NW and WWT agreed that, among other things, it will:

- subject to approval by the Board of Directors (the “**Board**”) and the Rights Agreement (as defined herein) being submitted for approval at a special meeting of shareholders (the “**Special Meeting**”), (i) vote all of its Common Shares in favor of the approval of the Rights Agreement; and (ii) make such efforts as reasonably requested by the Board to promote the approval of the Rights Agreement by the Company’s shareholders at the Special Meeting;
- not beneficially own, or exercise control or direction over, Common Shares in excess of the Capped Amount;
- not beneficially own any Debentures or other debt securities convertible into Common Shares (other than 22NW’s Debentures (that are subject to, and will be repurchased by the Company pursuant to, the Repurchase Agreement));
- vote all of its Common Shares in favor of recommendations of the Board on director election proposals, subject to certain exceptions;
- comply with certain customary standstill provisions, including, among other things, to not (i) make, participate in or encourage any solicitation of proxies or consents; (ii) seek to requisition, join in any requisition or call a meeting of shareholders of the Company in respect of the election of directors of Company; (iii) submit or induce any party to submit any shareholder proposal in respect of the Company; (iv) advise, assist, encourage or act jointly or in concert with any party in connection with any of the foregoing; or (v) make any public disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing; and
- not commence an unsolicited Take-over Bid (as defined in the Rights Agreement), unless (i) any person (other than 22NW or WWT) makes a Permitted Bid (as defined in the Rights Agreement) under the Rights Agreement, (ii) the Board waives the application of the Rights Agreement in respect of any person or (iii) a person (other than 22NW or WWT) commences a take-over bid relating to the Company by filing a take-over bid circular in accordance with Canadian securities laws, or otherwise acquires beneficial ownership of 20% or more of the outstanding Common Shares (other than an underwriter or member of a banking or selling group that becomes the beneficial owner of 20% or more of the Common Shares in connection with a distribution of securities of the Company pursuant to an underwriting agreement with the Company) and, upon the occurrence of an event described in clause (iii) above, either 22NW or WWT may commence a competing take-over bid in accordance with Canadian securities laws.

The Support Agreement also contains certain mutual non-disparagement provisions and customary representations and warranties.

The Support Agreement will terminate upon the earlier of the occurrence of (i) if the Debenture Repurchase is not completed within 30 days from the date of the Support Agreement; (ii) the Board does not approve the Rights Agreement; (iii) the Special Meeting is not held on or before January 31, 2025, unless the Special Meeting is not held prior to such date as a result of any Regulations (as defined in the Support Agreement) or any action or inaction by 22NW or WWT; (iv) any material breach of the Support Agreement by the parties thereto (subject to customary notice and cure provisions), in which case only the non-breaching parties may terminate the Support Agreement (v) the date which is 90 days following the annual general meeting of shareholders to be held in 2026 (the “**2026 Meeting**”). The termination date cannot be extended 90 days or more past the date of the 2026 Meeting without the consent of the Toronto Stock Exchange.

The foregoing descriptions of the Repurchase Agreement and Support Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which are filed herewith as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Rights Agreement

The information set forth in Item 3.03 of this Current Report is incorporated into this Item 1.01 by reference.

Item 3.03. Material Modification to Rights of Security Holders.

On March 22, 2024 (the “**Effective Date**”), the Board approved (with one Board member dissenting) and adopted a Rights Agreement by and between the Company and Computershare Trust Company of Canada, as rights agent (the “**Original Rights Agreement**”). In connection therewith, one right (a “**Right**”) was issued and attached to each Common Share outstanding and held of record at the close of business on April 1, 2024 (the “**Record Time**”) as set forth in the Original Rights Agreement and as confirmed in the Rights Agreement (as defined below). Subsequently, on August 2, 2024, the Board approved and adopted an amended and restated Rights Agreement by and between the Company and Computershare Trust Company of Canada, as rights agent (as amended and restated, the “**Rights Agreement**”), which amended and restated the Original Rights Agreement and provides for an amended and restated Rights Agreement.

The Rights Agreement is consistent with the Rights Agreement that the Company had in place from 2014 to 2020 and the Rights Agreement adopted by the Board on December 7, 2021. The Rights Agreement was adopted to help ensure that all shareholders of the Company are treated fairly and equally in connection with any unsolicited take-over bid or other acquisition of control of the Company (including by way of a “creeping” take-over bid). The Rights Agreement was not adopted in response to any specific proposal to acquire control of the Company, and the Board is not aware of any pending or potential take-over bid for the Company. The Rights Agreement, if approved, amends and restates the Original Rights Agreement to provide that WWT could purchase such number of additional Common Shares to match 22NW’s equity ownership in the Company and such acquisition would be an “Exempt Acquisition” pursuant to the terms of the Rights Agreement (the “**WWT Exempt Acquisition**”). Otherwise, the Rights Agreement, if approved, would continue to have the effect of freezing the concentration of ownership in the Company by large shareholders who are “Grandfathered Persons” (as defined in the Rights Agreement), including 22NW and WWT, subject to the WWT Exempt Acquisition and certain exceptions as provided in the Rights Agreement.

The Rights. As previously disclosed, the Board authorized the issuance at the Record Time of a Right with respect to each outstanding Common Share. A Right will also be attached to each Common Share issued after the Record Time. The issuance of the Rights will not change the manner in which shareholders trade their Common Shares.

Separation of Rights; Exercisability. Subject to certain exceptions, the Rights become exercisable and trade separately from the Common Shares only upon the “**Separation Time**,” which occurs upon the earlier of:

- the close of business on the tenth trading day after the first date (the “**stock acquisition date**”) of public announcement that a person (the “**Acquiring Person**”), together with certain related persons (including persons “acting jointly or in concert” as defined in the Rights Agreement), acquires or announces its intention to acquire 20% or more of the voting stock (subject to certain exemptions) without complying with the Permitted Bid provisions of the Rights Agreement;
- the close of business on the tenth trading day following the date of the commencement of or first public announcement of the current intention of any person (other than the Company or any subsidiary of the Company) to commence a Take-over Bid (as defined in the Rights Agreement) (other than a Permitted Bid (as defined below) or a Competing Permitted Bid (as defined in the Rights Agreement)); or
- the close of business on the tenth trading day following the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such.

Subject to the terms of the Rights Agreement, the Rights issued under the Rights Agreement become exercisable upon the Separation Time. The Rights Agreement will not be triggered solely by the holding of 20% or more of the Company’s Common Shares by a shareholder and its affiliates, associates and joint actors prior to the date of the Rights Agreement, as any such person would be “grandfathered” subject to the terms of the Rights

Agreement; however, subsequent purchases of Common Shares of the Company by a “grandfathered” person after the Effective Date may cause such person to become an Acquiring Person pursuant to the terms of the Rights Agreement. Following a transaction that results in a person becoming an Acquiring Person, the Rights entitle the holder thereof (other than the Acquiring Person and certain related persons) to purchase Common Shares at a significant discount to the market price at that time.

Under the Rights Agreement, a “Permitted Bid” is a take-over bid made in compliance with the Canadian take-over bid regime. Specifically, a Permitted Bid is a take-over bid that is made to all shareholders, that is open for 105 days (or such shorter period as is permitted under the Canadian take-over bid regime) and that contains certain conditions, including that no Common Shares will be taken up and paid for unless more than 50% of the Common Shares that are held by independent shareholders are tendered to the take-over bid.

Effective Date; Expiration Time. While the Rights Agreement is effective as of the Effective Date, it is subject to shareholder ratification within six months of its adoption or such other date as may be agreed to by the Toronto Stock Exchange. The Board intends to recommend the ratification of the Rights Agreement for approval by its shareholders at the Special Meeting, which will be scheduled to be held within six months of the Effective Date, or such other date as may be agreed to by the Toronto Stock Exchange. If ratified by shareholders, the Rights Agreement will have an initial term of three years. If the Rights Agreement is not ratified by the Company’s shareholders at the Special Meeting, the Rights Agreement and all Rights issued thereunder will terminate and cease to be effective at that time.

Flip-in Event. In the event that a person or group becomes an Acquiring Person (a “**Flip-in Event**”), each holder of a Right (other than any Acquiring Person and certain related parties, whose Rights automatically become null and void) will have the right to receive, upon exercise, Common Shares having a value equal to two times the purchase price of the Right.

Anti-dilution Adjustments. The purchase price payable, and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution including in the event of a stock dividend on, or a subdivision, consolidation, reclassification or issuance of, the Common Shares.

With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments amount to at least 1% of the purchase price.

Redemption; Exchange. In general, the Board may, with the prior approval of the holders of the Voting Shares (as defined in the Rights Agreement) or of the holders of Rights, elect to redeem the Rights in whole, but not in part, at a price of \$0.00001 per Right (subject to adjustment) at any time prior to the occurrence of a Flip-in Event.

No Rights as Shareholder. Until a Right is exercised, its holder will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends.

Amendment of the Rights Agreement. The Company may from time to time amend or supplement the Rights Agreement without the consent of the holders of the Rights. However, the Company may not supplement, amend, vary, rescind or delete any of the provisions of the Rights Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally) without the prior approval of the holders of Voting Shares if before the Separation Time, and without the prior approval of the holders of Rights if at any time on or after the Separation Time.

The foregoing description of the Rights Agreement and the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is filed as Exhibit 4.1 to this Current Report and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On August 2, 2024, the Company issued a press release announcing the entry into the Repurchase Agreement, the entry into the Support Agreement and the adoption of the Rights Agreement, as well as its plans to commence a normal course issuer bid following the release of the Company's second quarter financial results. A copy of that press release is furnished as Exhibit 99.1 to this Current Report and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the foregoing information, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall such information, including Exhibit 99.1, be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

IMPORTANT ADDITIONAL INFORMATION

Important Additional Information

DIRT intends to file a proxy statement and a proxy card with the U.S. Securities and Exchange Commission (the "SEC") in connection with the Special Meeting. **SHAREHOLDERS OF THE COMPANY ARE STRONGLY ENCOURAGED TO READ SUCH PROXY STATEMENT, ACCOMPANYING PROXY CARD AND ALL OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MEETING.** Shareholders will be able to obtain the definitive proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC at no charge on EDGAR at www.sec.gov.

Participant Information

The Company, its directors and certain of its executive officers (as set forth below) are or may be deemed to be "participants" (as defined in Section 14(a) of the Securities Exchange Act of 1934, as amended) in the solicitation of proxies from the Company's shareholders in connection with the matters to be considered at the Special Meeting. Information about the compensation of our named executive officers and our non-employee directors is set forth in the sections entitled "Executive Compensation" and "Director Compensation" in the Company's definitive proxy statement on Schedule 14A for the Company's 2024 Annual Meeting of Shareholders, filed on March 28, 2024 (the "**2024 Proxy**"), commencing on pages 36 and 50, respectively, and available [here](#). Information regarding the participants' holdings of the Company's securities can be found in the section entitled "Security Ownership of Certain Beneficial Owners and Management" in the 2024 Proxy on pages 54–55 and available [here](#), and as reflected in the table below. If any filings are made by the Company with the SEC on Forms 3, 4 and 5 with respect to the participants' holdings of the Company's securities, the Company will update the table and such filings will be available through EDGAR at www.sec.gov. Updated information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the section entitled "Security Ownership of Certain Beneficial Owners and Management" of the Company's proxy statement on Schedule 14A and other materials to be filed with the SEC.

Directors ⁽¹⁾

Name	Ownership	Date of Filing	Filing Type	Hyperlink
Scott Robinson (<i>Chair</i>)	273,269	03/28/2024	DEF 14A	HERE
Aron English ⁽²⁾	65,865,464	03/28/2024	DEF 14A	HERE
Shaun Noll ⁽³⁾	53,380,753	03/28/2024	DEF 14A	HERE
Shalima Pannikode	—	03/28/2024	DEF 14A	HERE
Scott Ryan	234,375	03/28/2024	DEF 14A	HERE
Douglas Edwards	156,250	03/28/2024	DEF 14A	HERE
Benjamin Urban	1,280,778	07/05/2024	Form 4	HERE

- (1) The business address for each of the “participants” set forth in the table above is c/o DIRT Environmental Solutions Ltd., 7303 30th Street S.E., Calgary, Alberta, Canada T2C 1N6.
- (2) As reported on Schedule 13D/A filed with the SEC on January 23, 2024. 22NW, LP, as the investment manager of 22NW, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW, inclusive of 8,440,252 Common Shares that are currently issuable upon the conversion of certain of the Company’s Debentures held by 22NW. 22NW GP, Inc., as the general partner of 22NW, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW. 22NW Inc. (together with 22NW, 22NW GP, Inc. and 22NW, LP, the “**22NW Group**”), as the general partner of 22NW, LP, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW. Aron English is the record owner of, and has the sole power to vote or direct the vote of, and the sole power to dispose or direct the disposition of, 7,470,167 Common Shares. On March 26, 2024, Mr. English filed with the SEC an amendment to his Form 4, available [here](#), which provided an update to include an additional 22,776 Common Shares directly owned by Mr. English, revising his ownership to 7,492,943 Common Shares. Aron English, as the Portfolio Manager of 22NW, Manager of 22NW GP and President and sole shareholder of 22NW Inc., may be deemed to beneficially own the 58,395,297 Common Shares owned directly by 22NW, which, together with the Common Shares he directly beneficially owns, constitutes an aggregate of 65,865,464 Common Shares. 22NW, LP’s aggregate holdings also includes 2,181 Common Shares held by Alexander Jones and 2,272 Common Shares held by Bryson Hirai-Hadley, each of whom are employees of 22NW Group. The address of 22NW is 590 1st Ave S., Unit C1, Seattle, WA 98104.
- (3) As reported on Schedule 13D/A filed with the SEC on January 18, 2024. WWT is the record owner of, and has the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, 53,301,893 Common Shares Shaun Noll is the record owner of, and has the sole power to vote or direct the vote of, and the sole power to dispose or direct the disposition of, 78,860 Common Shares. In addition, Shaun Noll, as the Managing Member of WWT, beneficially owns, and has the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, the 53,301,893 Common Shares beneficially owned by WWT. Together with the Common Shares that he directly owns, Shaun Noll may be deemed the beneficial owner of an aggregate of 53,380,753 Common Shares. The principal business address of WWT and Mr. Noll is 1440 Plymouth Ave, San Francisco, CA 94112.

For further information, please contact:

DIRTT Investor Relations at ir@dirtt.com

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
4.1	<u>Amended and Restated Shareholder Rights Plan Agreement, dated as of August 2, 2024, by and between DIRT Environmental Solutions Ltd. and Computershare Trust Company of Canada, as rights agent.</u>
10.1	<u>Convertible Debenture Repurchase Agreement, dated as of August 2, 2024, by and between DIRT Environmental Solutions Ltd. and 22NW Fund, LP</u>
10.2	<u>Support and Standstill Agreement, dated as of April 2, 2024, by and among DIRT Environmental Solutions Ltd., 22NW Fund, LP and WWT Opportunity #1 LLC.</u>
99.1*	<u>Press Release issued by DIRT Environmental Solutions Ltd. on August 2, 2024</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Furnished herewith.

SIGNATURES

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

Date: August 2, 2024

DIRT Environmental Solutions Ltd.

By: /s/ Fareeha Khan
Fareeha Khan
Chief Financial Officer
(Principal Financial Officer)

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF

AUGUST 2, 2024

BETWEEN

DIRTT ENVIRONMENTAL SOLUTIONS LTD.

AND

**COMPUTERSHARE TRUST COMPANY OF CANADA
AS RIGHTS AGENT**

**(AMENDING AND RESTATING THE SHAREHOLDER RIGHTS PLAN AGREEMENT
DATED AS OF MARCH 22, 2024)**

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AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT is made as of August 2, 2024 between DIRT Environmental Solutions Ltd. (the "**Corporation**"), a corporation amalgamated under the laws of the Province of Alberta, and Computershare Trust Company of Canada, a trust company continued under the laws of Canada and registered to carry on business in all provinces of Canada (the "**Rights Agent**") and amends and restates the Original Agreement (as defined below).

WHEREAS the Corporation and the Rights Agent entered into a shareholder rights plan agreement as of March 22, 2024 (the "**Original Agreement**") in respect of a shareholder rights plan (the "**Original Rights Plan**");

AND WHEREAS the Board of Directors (as hereinafter defined), in the exercise of its fiduciary duties to the Corporation, determined that it is advisable for the Corporation to amend and restate the Original Agreement in its entirety on the terms and conditions and in the form of this Agreement (as hereinafter defined), and to effect the continued distribution of Rights (as hereinafter defined) under the Original Rights Plan as amended and restated herein to prevent, to the extent possible, a creeping takeover of the Corporation and to ensure, to the extent possible, the fair treatment of all shareholders in connection with any take-over bid for the securities of the Corporation, and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value;

AND WHEREAS in order to amend and restate the Original Agreement in its entirety on the terms and conditions and in the form of this Agreement (as hereinafter defined), the Board of Directors has:

- (a) confirmed and authorized the issuance, effective at the close of business (Calgary time) on April 1, 2024 (the "**Record Time**"), of one Right in respect of each Common Share (as hereinafter defined) outstanding at the Record Time;
- (b) confirmed and authorized the issuance of one Right in respect of each Voting Share of the Corporation issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and
- (c) confirmed and authorized the issuance of Rights Certificates (as hereinafter defined) to holders of Rights pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to confirm the appointment of the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to continue to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein.

NOW THEREFORE in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) "ABCA" shall mean the *Business Corporations Act* (Alberta);
- (b) "Acquiring Person" shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term "Acquiring Person" shall not include:
 - (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of:
 - (A) a Voting Share Reduction;
 - (B) a Permitted Bid Acquisition;
 - (C) an Exempt Acquisition;
 - (D) a Pro Rata Acquisition; or
 - (E) a Convertible Security Acquisition;

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), (D) or (E) above and such Person's Beneficial Ownership of Voting Shares thereafter increases by more than 1% of the number of Voting Shares outstanding (other than pursuant to one of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition or any combination thereof), then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, such Person shall become an "Acquiring Person";
- (iii) for a period of ten days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Subsection 1.1(g)(B) solely because such Person is making or has announced a current intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, "Disqualification Date" means the first date of public announcement that any Person is making or intends to make a Take-over Bid;
- (iv) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Voting Shares in connection with a distribution of securities of the Corporation pursuant to an underwriting agreement with the Corporation; or

- (v) a Person (a "**Grandfathered Person**") who is the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Effective Date, provided, however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Effective Date, become the Beneficial Owner of any additional Voting Shares that increases its Beneficial Ownership of Voting Shares by more than 1% of the number of Voting Shares outstanding as at the Effective Date, other than through one of a Permitted Bid Acquisition, an Exempt Acquisition, a Voting Share Reduction, a Pro Rata Acquisition or a Convertible Security Acquisition or any combination thereof; and provided, further, that a Person shall cease to be a Grandfathered Person in the event that such Person ceases to Beneficially Own 20% or more of the then outstanding Voting Shares at any time after the Effective Date. For greater certainty, in the case of WWT Opportunity #1 LLC ("**WWT**"), for the purposes of determining the 1% threshold for this item (v), any Voting Shares acquired in accordance with item (iii) of the definition of Exempt Acquisition will be deemed held immediately prior to the Effective Date;
- (c) "**Affiliate**", when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person;
- (d) "**Agreement**" shall mean this amended and restated shareholder rights plan agreement dated as of August 2, 2024, between the Corporation and the Rights Agent, as amended or supplemented from time to time; "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (e) "**annual cash dividend**" shall mean cash dividends paid in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate on a per share basis, in any fiscal year, the greater of:
 - (i) 200% of the aggregate amount of cash dividends, on a per share basis, declared payable by the Corporation on its Common Shares in its immediately preceding fiscal year;
 - (ii) 300% of the arithmetic mean of the aggregate amounts of the cash dividends, on a per share basis, declared payable by the Corporation on its Common Shares in its three immediately preceding fiscal years; and
 - (iii) 100% of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year divided by the number of Common Shares outstanding as at the end of such fiscal year;
- (f) "**Associate**" shall mean, when used to indicate a relationship with a specified Person, a spouse of that Person, any Person of the same or opposite sex with whom that Person is living in a conjugal relationship outside marriage, a child of that Person and a relative of that Person if that relative has the same residence as that Person;

(g) A Person shall be deemed the "**Beneficial Owner**" of, and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**":

- (i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;
- (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable within a period of 60 days, whether or not on condition or on the happening of any contingency) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing, or upon the exercise of any conversion, exchange or purchase right (other than the Rights) attaching to a Convertible Security, including but not limited to any lock-up agreement or similar agreement, arrangement or understanding that is not a Permitted Lock-Up Agreement; other than pursuant to (x) customary agreements between the Corporation and underwriters or between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities by the Corporation, and (y) pledges of securities in the ordinary course of business;
- (iii) any securities which are Beneficially Owned within the meaning of Subsections 1.1(g)(i) or (ii) by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**", any security:

- (A) where such security has been deposited or tendered pursuant to any Take-over Bid or where the holder of such security has agreed pursuant to a Permitted Lock-Up Agreement to deposit or tender such security pursuant to a Take-Over Bid, in each case made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person acting jointly or in concert with such Person, until such deposited or tendered security has been taken up or paid for, whichever shall first occur;
- (B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in Subsection 1.1(g)(iii), holds such security provided that:
 - (1) the ordinary business of any such Person (the "**Investment Manager**") includes the management of mutual funds or investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans and/or includes the acquisition or holding of securities for a non-discretionary account of a Client by a dealer or broker registered under applicable securities laws to the extent required) and such security is held by the Investment Manager in the ordinary course of such business and in the performance of such Investment Manager's duties for the account of any other Person or Persons (a "**Client**");

- (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "**Estate Account**") or in relation to other accounts (each an "**Other Account**") and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
- (3) such Person is a pension plan or fund registered under the laws of Canada or any Province thereof or the laws of the United States of America (a "**Plan**") or is a Person established by statute for purposes that include, and the ordinary business or activity of such Person (the "**Statutory Body**") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans of various public bodies; or
- (4) such Person (the "**Administrator**") is the administrator or trustee of one or more Plans and holds such security for the purposes of its activities as an Administrator;

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator or the Plan, as the case may be, is not then making and has not then announced an intention to make a Take-over Bid (other than an Offer to Acquire Voting Shares or other securities by means of a distribution by the Corporation or by means of ordinary market transactions (including prearranged trades) executed through the facilities of a stock exchange or organized over-the-counter market), alone or by acting jointly or in concert with any other Person;

- (C) only because such Person or any of such Person's Affiliates or Associates is (1) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security, or (3) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security provided, however, that such Person is not then making and has not then announced an intention to make a Take-over Bid (other than an Offer to Acquire Voting Shares or other securities by means of a distribution by the Corporation or by means of ordinary market transactions (including prearranged trades) executed through the facilities of a stock exchange or organized over the counter market), alone or by acting jointly or in concert with any other Person;
- (D) only because such Person is (1) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (2) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (3) a Plan and such security is owned at law or in equity by the Administrator of the Plan provided, however, that such Person is not then making and has not then announced an intention to make a Take-over Bid (other than an Offer to Acquire Voting Shares or other securities by means of a distribution by

the Corporation or by means of ordinary market transactions (including prearranged trades) executed through the facilities of a stock exchange or organized over the counter market), alone or by acting jointly or in concert with any other Person; or

- (E) where such person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository provided, however, that such Person is not then making and has not then announced an intention to make a Take-over Bid (other than an Offer to Acquire Voting Shares or other securities by means of a distribution by the Corporation or by means of ordinary market transactions (including prearranged trades) executed through the facilities of a stock exchange or organized over the counter market), alone or by acting jointly or in concert with any other Person;
- (h) **"Board of Directors"** shall mean the board of directors of the Corporation or any duly constituted and empowered committee thereof;
- (i) **"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Calgary, Alberta are authorized or obligated by law to close;
- (j) **"Canadian Dollar Equivalent"** of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate in effect on such date;
- (k) **"close of business"** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal office of the transfer agent for the Common Shares (or, after the Separation Time, the principal transfer office of the Rights Agent) is closed to the public; provided, however, that for the purposes of the definitions of **"Competing Permitted Bid"** and **"Permitted Bid"**, **"close of business"** on any date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day);
- (l) **"Common Shares"** shall mean the common shares in the capital of the Corporation as presently constituted, as such shares may be subdivided, consolidated, reclassified or otherwise changed from time to time;
- (m) **"Competing Permitted Bid"** shall mean a Take-over Bid which also complies with the following additional provisions:
 - (i) the Take-over bid is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of such Permitted Bid or Competing Permitted Bid;
 - (ii) the Take-over Bid complies with all of the provisions of a Permitted Bid other than the condition set forth in Subsection (iii) of the definition of a Permitted Bid; and
 - (iii) no Voting Shares are taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is the last day of the initial deposit period that

the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104;

provided that, should a Competing Permitted Bid cease to be a Competing Permitted Bid because it ceases to meet any or all of the requirements mentioned above prior to the time it expires (after giving effect to any extension) or is withdrawn, then any acquisition of Voting Shares made pursuant to such Competing Permitted Bid, including any acquisition of Voting Shares made prior to such time, shall not be a Permitted Bid Acquisition.

- (n) A specified Person is "**controlled**" by another Person or two or more Persons acting jointly or in concert if:
 - (i) securities entitled to vote in the election of directors carrying more than 50 percent of the votes for the election of directors are held, directly or indirectly, by or on behalf of the other Person or two or more Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate;
 - (ii) in the case of a specified Person that is a partnership that does not have directors, other than a limited partnership, the other Person holds more than 50 percent of the interests in the partnership; or
 - (iii) in the case of a specified Person that is a limited partnership, the other Person is the general partner of the limited partnership;

and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly;

- (o) "**Convertible Security**" shall mean a security convertible, exercisable or exchangeable into a Voting Share and a "**Convertible Security Acquisition**" shall mean an acquisition by a Person of Voting Shares upon the exercise, conversion or exchange of a Convertible Security received by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;
- (p) "**Co-Rights Agents**" shall have the meaning ascribed thereto in Subsection 4.1(a);
- (q) "**Disposition Date**" shall have the meaning ascribed thereto in Subsection 5.1(d);
- (r) "**Dividend Reinvestment Acquisition**" shall mean an acquisition of Voting Shares of any class pursuant to a Dividend Reinvestment Plan;
- (s) "**Dividend Reinvestment Plan**" shall mean a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to holders of its securities where such plan permits the holder to direct that some or all of:
 - (i) dividends paid in respect of shares of any class of the Corporation;
 - (ii) proceeds of redemption of shares of the Corporation;
 - (iii) interest paid on evidences of indebtedness of the Corporation; or

- (iv) optional cash payments;
- be applied to the purchase from the Corporation of Voting Shares;
- (t) **"Effective Date"** shall mean March 22, 2024;
 - (u) **"Election to Exercise"** shall have the meaning ascribed thereto in Subsection 2.2(d)(ii);
 - (v) **"Exempt Acquisition"** shall mean an acquisition of Voting Shares and/or Convertible Securities:
 - (i) by a Person in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsections 5.1(b), (c) or (d);
 - (ii) by a Person pursuant to a distribution of Voting Shares and/or Convertible Securities made by the Corporation (A) to the public pursuant to a prospectus or similar document, provided that such Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares so offered than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such distribution, or (B) pursuant to a distribution, provided that (x) all necessary stock exchange approvals for such private placement have been obtained and such distribution complies with the terms and conditions of such approvals, and (y) such Person does not thereby become the Beneficial Owner of Voting Shares equal in number to more than 25% of the Voting Shares outstanding immediately prior to the distribution and, in making this determination, the securities to be issued to such Person on the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of Voting Shares outstanding immediately prior to the distribution;
 - (iii) by WWT or its Affiliates prior to the 90th day following the annual general meeting of the shareholders of the Corporation to be held in 2026, in accordance with applicable laws and the rules of the Toronto Stock Exchange, provided that any such acquisition is a non-treasury issuance of Voting Shares or Convertible Securities and as a result of any such acquisition, WWT shall not Beneficially Own in excess of 57,447,988 Voting Shares; or
 - (iv) by a Person pursuant to an amalgamation, merger, arrangement or other statutory procedure requiring shareholder approval;
 - (w) **"Exercise Price"** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be:
 - (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and
 - (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share;
 - (x) **"Expansion Factor"** shall have the meaning ascribed thereto in Subsection 2.3(a)(x);

- (y) **"Expiration Time"** means the earlier of:
 - (i) the Termination Time; and
 - (ii) the date of termination of this Agreement pursuant to Sections 5.17 or 5.18.
- (z) **"Fiduciary"** shall mean, when acting in that capacity, a trust company registered under the trust company legislation of Canada or any province thereof, a trust company organized under the laws of any state of the United States of America, a portfolio manager registered under the securities legislation of one or more provinces of Canada or an investment adviser registered under the United States Investment Advisers Act of 1940 or any other securities legislation of the United States of America or any state of the United States of America;
- (aa) **"Flip-in Event"** shall mean a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (bb) **"holder"** shall have the meaning ascribed thereto in Section 2.8;
- (cc) **"Independent Shareholders"** shall mean holders of Voting Shares, other than:
 - (i) any Acquiring Person;
 - (ii) any Offeror, other than a Person who, by virtue of Subsection 1.1(g)(B), is not deemed to Beneficially Own such Voting Shares at the relevant time;
 - (iii) any Affiliate or Associate of such Acquiring Person or Offeror;
 - (iv) any Person acting jointly or in concert with such Acquiring Person or Offeror; and
 - (v) any employee benefit plan, deferred profit sharing plan, stock participation plan and any other similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid;
- (dd) **"Market Price"** per share of any securities on any date of determination shall mean the average of the daily closing prices per share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day,

on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:

- (i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year;
- (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a securities exchange or on a national securities quotation system, the last sale price or, in case no such sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a securities exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that if for any reason none of such prices is available on such day, the closing price per share of such securities on such date means the fair value per share of such securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker with respect to the fair value per share of such securities. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;

- (ee) "**NI 62-104**" means National Instrument 62-104 – Take-Over Bids and Issuer Bids;
 - (ff) "**Nominee**" shall have the meaning ascribed thereto in Subsection 2.2(c);
 - (gg) "**Offer to Acquire**" shall include:
 - (i) an offer to purchase or a solicitation of an offer to sell Voting Shares or a public announcement of an intention to make such an offer or solicitation; and
 - (ii) an acceptance of an offer to sell Voting Shares, whether or not such offer to sell has been solicited;
- or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (hh) "**Offeror**" shall mean a Person who has made a public announcement of a current intention to make or who is making a Take-over Bid but only so long as the Take-over Bid so announced or made has not been withdrawn or terminated or has not expired;

- (ii) **"Permitted Bid"** shall mean a Take-over Bid, made by an Offeror by way of take-over bid circular, which also complies with the following additional provisions:
- (i) the Take-over Bid is made to all holders of Voting Shares on the books of the Corporation, other than the Offeror;
 - (ii) no Voting Shares are taken up or paid for pursuant to the Take-over Bid unless more than 50% of the Voting Shares held by Independent Shareholders (x) shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn and (y) have previously been or are taken up at the same time;
 - (iii) no Voting Shares are taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is no earlier than the earlier of (A) 105 days following the date of the Take-over Bid and (B) the last day of the initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104;
 - (iv) Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which Voting Shares may be taken up and paid for and any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (v) if on the date on which Voting Shares may be taken up and paid for under the Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited or tendered pursuant to the Take-over Bid and not withdrawn, the Offeror makes a public announcement of that fact and the Take-over Bid is extended to remain open for deposits and tenders of Voting Shares for not less than ten days from the date of such public announcement.

For purposes of this Agreement, (A) should a Take-over Bid which qualified as a Permitted Bid cease to be a Permitted Bid because it ceases to meet any or all of the requirements mentioned above prior to the time it expires (after giving effect to any extension) or is withdrawn, any acquisition of Voting Shares made pursuant to such Take-over Bid shall not be a Permitted Bid Acquisition and (B) the term **"Permitted Bid"** shall include a Competing Permitted Bid;

- (jj) **"Permitted Bid Acquisition"** shall mean an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (kk) **"Permitted Lock-Up Agreement"** shall mean an agreement between a Person and one or more holders of Voting Shares pursuant to which such holders (each a **"Locked-Up Person"**) agree to deposit or tender Voting Shares to a Take-Over Bid (the **"Lock-Up Bid"**) made or to be made by such Person or any of such Person's Affiliates or Associates or any other Person with which such Person is acting jointly or in concert, provided that:
- (i) the terms of such agreement are publicly disclosed and a copy of such agreement is made available to the public (including the Corporation) not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has been made prior to the date on which such agreement is entered into, not later than the first business day following the date of such agreement;

(ii) the agreement permits a Locked-Up Person to terminate its obligation to deposit or tender Voting Shares to or not to withdraw such Voting Shares from the Lock-Up Bid, in order to tender or deposit the Voting Shares to another Take-over Bid or to support another transaction:

(A) where the price or value of the consideration per Voting Share offered under such other Take-over Bid or transaction:

(1) is greater than the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid; or

(2) exceeds by as much as or more than a specified amount (the "**Specified Amount**") the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid, provided that such Specified Amount is not greater than 7% of the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid; and

(B) if the number of Voting Shares offered to be purchased under the Lock-Up Bid is less than 100% of the Voting Shares held by Independent Shareholders, where the number of Voting Shares to be purchased under such other Take-over Bid or transaction at a price or value per Voting Share that is not less than the price or value per Voting Share offered under the Lock-Up Bid:

(1) is greater than the number of Voting Shares that the Offeror has offered to purchase under the Lock-Up Bid; or

(2) exceeds by as much as or more than a specified number (the "**Specified Number**") the number of Voting Shares that the Offeror has offered to purchase under the Lock-Up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-Up Bid,

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to at least match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Voting Shares from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares during the period of the other Take-over Bid or transaction; and

(iii) no "**break-up**" fees, "**top-up**" fees, penalties, expenses or other amounts that exceed in aggregate the greater of:

(A) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-Up Bid to a Locked-Up Person; and

- (B) 50% of the amount by which the price or value of the consideration received by a Locked-Up Person under another Take-over Bid or transaction exceeds the price or value of the consideration that the Locked-Up Person would have received under the Lock-Up Bid,

shall be payable by such Locked-Up Person pursuant to the agreement if the Locked-Up Person fails to deposit or tender Voting Shares to the Lock-Up Bid, withdraws Voting Shares previously tendered thereto or supports another transaction;

- (ll) **"Person"** shall include an individual, body corporate, firm, partnership, syndicate or other form of unincorporated association, trust, trustee, executor, administrator, legal personal representative, group, unincorporated organization, a government and its agencies or instrumentalities, or other entity whether or not having legal personality;

- (mm) **"Pro Rata Acquisition"** shall mean an acquisition by a Person of Voting Shares pursuant to:

- (i) a Dividend Reinvestment Acquisition;
- (ii) a stock dividend, stock split or other event in respect of securities of the Corporation of one or more particular classes or series pursuant to which such Person becomes the Beneficial Owner of Voting Shares on the same pro rata basis as all other holders of securities of the particular class, classes or series; or
- (iii) the acquisition or the exercise by the Person of rights to purchase Voting Shares issued by the Corporation to all holders of securities of the Corporation (other than holders resident in any jurisdiction where such issuance is restricted or impractical as a result of applicable law) of one or more particular classes or series pursuant to a rights offering provided that such rights are acquired directly from the Corporation and not from any other Person; or
- (iv) a distribution of Voting Shares or of Convertible Securities made pursuant to a prospectus or by way of a private placement or a conversion or exchange of any Convertible Security;

provided, however, that such Person does not thereby acquire a greater percentage of such Voting Shares or of Convertible Securities so offered than such Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition;

- (nn) **"Record Time"** shall have the meaning set forth in the recitals hereto;
- (oo) **"Redemption Price"** shall have the meaning attributed thereto in Subsection 5.1(a);
- (pp) **"Right"** shall mean a right to purchase a Common Share, upon the terms and subject to the conditions set forth in this Agreement;
- (qq) **"Rights Certificate"** shall mean a certificate representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (rr) **"Rights Register"** shall have the meaning ascribed thereto in Subsection 2.6(a)

- (ss) **"Securities Act"** shall mean the *Securities Act* (Alberta);
- (tt) **"Separation Time"** shall mean, subject to Subsection 5.1(d), the close of business on the tenth Trading Day after the earlier of:
- (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of or first public announcement of the current intention of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid); and
 - (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such;
- or such later time as may be determined by the Board of Directors, provided that, if any Take-over Bid referred to in Subsection 1.1(tt)(ii) above expires, is not made, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been commenced, made or announced and further provided that if the Board of Directors determines, pursuant to Section 5.1, to waive the application of Section 3.1 to a Flip-in Event, then the Separation Time in respect of such Flip-in Event shall be deemed never to have occurred and further provided that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time;
- (uu) **"Stock Acquisition Date"** shall mean the first date of public announcement or disclosure by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person which for the purposes of this definition shall include, without limitation, a report filed pursuant to Part 5 of NI 62-104, Section 4.5 of National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues or Section 13(d) of the 1934 Exchange Act announcing or disclosing such information;
- (vv) **"Subsidiary"** a Person is a Subsidiary of another Person if:
- (i) it is controlled by:
 - (A) that other; or
 - (B) that other and one or more Persons each of which is controlled by that other; or
 - (C) two or more Persons each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a Person that is that other's Subsidiary;
- (ww) **"Take-over Bid"** shall mean an Offer to Acquire Voting Shares or Convertible Securities, if, assuming that the Voting Shares or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, the Voting Shares Beneficially Owned by the Person making the Offer to Acquire would constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire;

- (xx) **"Termination Time"** shall mean the time at which the right to exercise Rights shall terminate pursuant to Section 5.1(g);
- (yy) **"Trading Day"**, when used with respect to any securities, shall mean a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange, a Business Day;
- (zz) **"U.S. – Canadian Exchange Rate"** on any date shall mean:
 - (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith;
- (aaa) **"U.S. Dollar Equivalent"** of any amount which is expressed in Canadian dollars means on any day the United States dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate in effect on such date;
- (bbb) **"Voting Share Reduction"** shall mean an acquisition or redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the percentage of outstanding Voting Shares Beneficially Owned by any Person to 20% or more of the Voting Shares then outstanding;
- (ccc) **"Voting Shares"** shall mean the Common Shares and any other shares in the capital of the Corporation entitled to vote generally in the election of all directors;
- (ddd) **"1933 Securities Act"** means the Securities Act of 1933 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto; and
- (eee) **"1934 Exchange Act"** means the Securities Exchange Act of 1934 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Number and Gender

Wherever the context will require, terms (including defined terms) used herein importing the singular number only shall include the plural and vice versa and words importing any one gender shall include all others.

1.4 Headings

The division of this Agreement into Articles, Sections, Subsections, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Statutory References

Unless the context otherwise requires, any reference to a specific section, subsection, clause or rule of any act or regulation shall be deemed to refer to the same as it may be amended, reenacted or replaced or, if repealed and there shall be no replacement therefor, to the same as it is in effect on the date of this Agreement.

1.6 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

- (a) For purposes of this Agreement, in determining the percentage of outstanding Voting Shares with respect to which a Person is or is deemed to be the Beneficial Owner, all unissued Voting Shares of which such Person is deemed to be the Beneficial Owner shall be deemed to be outstanding.
- (b) For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

A = the number of votes for the election of directors of the Corporation generally attaching to the Voting Shares Beneficially Owned by such Person; and

B = the number of votes for the election of directors of the Corporation generally attaching to all outstanding Voting Shares.

The percentage of outstanding Voting Shares represented by any particular group of Voting Shares acquired or held by any Person shall be determined in like manner mutatis mutandis.

1.7 Acting Jointly or in Concert

For purposes of this Agreement a Person is acting jointly or in concert with every Person who is a party to an agreement, commitment, arrangement or understanding, whether formal or informal or written or unwritten, with the first Person to acquire or Offer to Acquire any Voting Shares or Convertible Securities (other than: (a) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities by the Corporation; (b) pledges of securities in the ordinary course of business; and (c) Permitted Lock-Up Agreements).

ARTICLE 2 THE RIGHTS

2.1 Legend on Share Certificates

Certificates representing Voting Shares which are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall also evidence one Right for each Voting Share represented thereby until the earlier of the Separation Time or the Expiration Time and shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the earlier of the Separation Time or the Expiration Time (as both terms are defined in the Shareholder Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Plan Agreement dated as of March 22, 2024, as may be amended, restated or supplemented from time to time (the "**Shareholder Rights Agreement**"), between DIRT Environmental Solutions Ltd. (the "**Corporation**") and Computershare Trust Company of Canada, as Rights Agent, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Agreement, the Rights may be amended or redeemed, may expire or may become void (if, in certain cases they are "**Beneficially Owned**" by an "**Acquiring Person**" as such terms are defined in the Shareholder Rights Agreement, whether currently held by or on behalf of such Person or a subsequent holder) or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price, or its U.S. Dollar Equivalent, as at the Business Day immediately preceding the Separation Time (which Exercise Price and number of Common Shares are subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time:
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Voting Share registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Voting Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
 - (i) the Rights shall be exercisable; and
 - (ii) the registration and transfer of Rights shall be separate from and independent of Voting Shares.

Promptly following the Separation Time, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to each holder of record of Voting Shares as of the Separation Time and, in respect of each Convertible Security converted into Voting Shares after the Separation Time and prior to the Expiration Time, promptly after such conversion, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to the holder so converting (other than in either case an Acquiring Person and any Transferee whose rights are or become null and void pursuant to Section 3.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person or Transferee which are not held of record by such Acquiring Person or Transferee, the holder of record of such Rights (a "**Nominee**")), at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time or at the time of conversion, as applicable, and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and

- (y) a disclosure statement prepared by the Corporation describing the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) only in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first Person to furnish such information and documentation as the Corporation deems necessary.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent at its office in Calgary, Canada or any other office of the Rights Agent in cities designated from time to time for that purpose by the Corporation with the approval of the Rights Agent:

- (i) the Rights Certificate evidencing such Rights;
- (ii) an election to exercise such Rights (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate appropriately completed and duly executed by the holder or such holder's executors or administrators or other personal representatives or such holder's or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
- (iii) payment by certified cheque, banker's draft, money order or wire transfer payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates

for Common Shares in a name other than that of the holder of the Rights being exercised.

- (e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Subsection 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Subsection 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon as soon as practicable:
 - (i) requisition from the transfer agent certificates representing the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash, if any, to be paid in lieu of issuing fractional Common Shares;
 - (iii) after receipt of the certificates referred to in Subsection 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver the cash referred to in Subsection 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
 - (v) remit to the Corporation all payments received on the exercise of Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
 - (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with the requirements of the ABCA, the Securities Act and the other applicable securities laws or comparable legislation of each of the provinces of Canada, the 1933 Securities Act, the 1934 Exchange Act, and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights, the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the stock exchanges and markets on which such Common Shares were traded immediately prior to the Stock Acquisition Date;

- (iv) pay when due and payable, if applicable, any and all federal, provincial, state and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or certificates for Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares issued upon the exercise of Rights in a name other than that of the holder of the Rights being transferred or exercised; and
- (v) after the Separation Time, except as permitted by Sections 5.1 and 5.4, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3 and in Article 3.

- (a) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time:
 - (i) declare or pay a dividend on Common Shares payable in Common Shares or Convertible Securities in respect thereof other than pursuant to any Dividend Reinvestment Plan;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or Convertible Securities in respect thereof) in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3,

then the Exercise Price and the number of Rights outstanding (or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights) shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

- x the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and

- y each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance.

Adjustments made pursuant to this Section 2.3(a) shall be made successively, whenever an event referred to in this Section 2.3(a) occurs.

If, after the Effective Date and prior to the Expiration Time, the Corporation shall issue any shares of capital stock other than Common Shares in a transaction of a type described in Subsections 2.3(a)(i) or 2.3(a)(iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1.

In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Subsection 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

- (b) In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time fix a record date for the issuance of rights, options or warrants (other than Rights) to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or Convertible Securities in respect of Common Shares) at a price per Common Share (or, in the case of a Convertible Security, having a conversion, exchange or exercise price per share, including the price required to be paid to purchase such Convertible Security) less than the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
 - (i) the numerator of which shall be the number of Common Shares outstanding on such record date plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the Convertible Securities, including the price required to be paid to purchase such Convertible Securities) would purchase at such Market Price per Common Share; and

- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the Convertible Securities so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to any Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in the case of any Dividend Reinvestment Plan or share purchase plan, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger or amalgamation) of evidences of indebtedness, cash (other than an annual cash dividend or a dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding rights, options or warrants expiring within 45 calendar days after such record date) to purchase Common Shares or Convertible Securities in respect of Common Shares, the Exercise Price in effect after such record date shall be equal to the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors) of the portion of the evidences of indebtedness, cash, assets, rights, options or warrants so to be distributed applicable to the securities purchasable upon exercise of one Right. Such adjustment shall be made successively whenever such a record date is fixed.
- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Any adjustment required by Section 2.3 shall be made as of:
 - (i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to Subsection 2.3(a); or

- (ii) the record date for the applicable dividend or distribution, the case of an adjustment made pursuant to Subsection 2.3(b) or (c), subject to readjustment to reverse the same if such distribution shall not be made.
- (e) In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time issue any shares of capital stock (other than Common Shares), or rights, options or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock, in a transaction referred to in Subsection 2.3(a)(i) or (iv) or Subsections 2.3(b) or (c), if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsections 2.3(a), (b) and (c) in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a), (b) and (c), such adjustments, rather than the adjustments contemplated by Subsections 2.3(a), (b) and (c), shall be made. Subject to Subsections 5.4(b) and (c), the Corporation and the Rights Agent may, with the prior approval of the holders of the Common Shares, amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.
- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
 - (i) consolidation or subdivision of Common Shares;
 - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;

- (iii) stock dividends; or
- (iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Corporation to holders of its Common Shares, subject to applicable taxation laws, shall not be taxable to such shareholders or shall subject such shareholders to a lesser amount of tax.

- (j) Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
 - (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - (ii) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights who requests a copy;

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the absolute holder of record of the Common Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by its Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer or any Vice-President and by its Corporate Secretary or any Assistant Secretary under the corporate seal of the Corporation reproduced thereon. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights pursuant to

Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) After the Separation Time, the Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent, at its office in the City of Calgary, is hereby appointed registrar for the Rights (the "**Rights Registrar**") for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.
- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(d), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and

- (ii) such security or indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Right shall mean the registered holder of such Right (or, prior to the Separation Time, of the associated Common Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Voting Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Voting Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Voting Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Voting Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors, acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to and as provided herein; and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of preliminary or permanent injunctions or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS

3.1 Flip-in Event

- (a) Subject to Subsection 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective at the close of business on the tenth Trading Day after the Stock Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person); or
 - (ii) a transferee or other successor in title, directly or indirectly, (a "**Transferee**") of Rights held by an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person), where such Transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person), that has the purpose or effect of avoiding Subsection 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including any Transferee) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration or transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not null and void under this Subsection 3.1(b) shall be deemed to be an Acquiring Person for the purposes of this Subsection 3.1 and such Rights shall become null and void.

- (c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the ABCA, the Securities Act and the other applicable securities laws or comparable legislation of each of the provinces of Canada and in any other

jurisdiction where the Corporation is subject to such laws and the rules of the stock exchanges or quotation systems where the Common Shares are listed or quoted at such time in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

- (d) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Subsection 3.1(b)(i) or (ii) or transferred to any Nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain or will be deemed to contain the following legend:

The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of such Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Shareholder Rights Agreement.

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend and provided further that the fact that such legend does not appear on a certificate is not determinative of whether any Rights represented thereby are void under this Section.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents ("**Co-Rights Agents**") as it may deem necessary or desirable. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements reasonably incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder (including the fees and disbursements of any expert or advisor retained by the Rights Agent pursuant to Section 4.3(a)). The Corporation also agrees to indemnify the Rights Agent, and its officers, directors, employees and agents for, and to hold it and them harmless against, any loss, liability or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent or such persons, for anything done or omitted by the Rights Agent or such persons in connection with the acceptance and administration of this Agreement, including legal costs and expenses, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Common Shares and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent may reasonably consider necessary or appropriate to properly

carry out the duties and obligations imposed under this Agreement (at the expense of the Corporation) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert;

- (b) whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, any Vice-President, Treasurer, Corporate Secretary or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder only for its own gross negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof), or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment or any written notice from the Corporation or any holder that a Person has become an Acquiring Person); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
- (f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, any Vice-President, Treasurer, Corporate Secretary or any Assistant

Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual. It is understood that instructions to the Rights Agent shall, except where circumstances make it impractical or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as practicable after the giving of such instructions;

- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail and to the holders of Rights in accordance with Section 5.9. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail and to the holders of Rights in accordance with Section 5.9. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply, at the Corporation's expense, to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Alberta. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall, upon payment in full of any outstanding amounts owing by the Corporation to the Rights Agent under this Agreement, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

4.6 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors acting in good faith may, with the prior approval of the holders of Voting Shares or of the holders of Rights given in accordance with Section 5.1(i) or (j), as the case may be, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Directors acting in good faith may, with the prior approval of the holders of Voting Shares given in accordance with Section 5.1(i), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-

over bid circular to all holders of record of Voting Shares and otherwise than in the circumstances set forth in Subsection 5.1(d), to waive the application of Section 3.1 to such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of shareholders called to approve such waiver.

- (c) The Board of Directors acting in good faith may, until the occurrence of a Flip-in Event upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to such particular Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by way of take-over bid circular sent to all holders of Voting Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1(d)); provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(c), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event subsequently occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of Voting Shares prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Subsection 5.1(c).
- (d) Notwithstanding the provisions of Subsections 5.1(b) and (c) hereof, the Board of Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined within ten Trading Days following a Stock Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement, and in the event such waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1(d) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.
- (e) The Board of Directors shall, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person which has made a Permitted Bid, a Competing Permitted Bid or a Take-Over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to Subsection 5.1(c) the application of Section 3.1, takes up and pays for Voting Shares in connection with such Permitted Bid, Competing Permitted Bid or Take-over bid, as the case may be.
- (f) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Upon the Rights being redeemed pursuant to this Subsection 5.1(f), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred and the Corporation shall be deemed to have issued replacement Rights to the holders of its then outstanding Common Shares.

- (g) If the Board of Directors elects or is deemed to have elected to redeem the Rights, and, in circumstances in which Subsection 5.1(a) is applicable, such redemption is approved by the holders of Voting Shares or the holders of Rights in accordance with Subsection 5.1(i) or (j), as the case may be, the right to exercise the Rights, will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (h) Within ten Business Days after the Board of Directors elects or is deemed to elect to redeem the Rights or if Subsection 5.1(a) is applicable within ten Business Days after the holders of Common Shares or the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(i) or (j), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than specifically set forth in this Section 5.1 or in connection with the purchase of Common Shares prior to the Separation Time.
- (i) If a redemption of Rights pursuant to Subsection 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Voting Shares. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's by-laws.
- (j) If a redemption of Rights pursuant to Subsection 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in Subsections (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the ABCA, with respect to meetings of shareholders of the Corporation.
- (k) The Corporation shall not be obligated to make a payment of the Redemption Price to any holder of Rights unless such holder is entitled to receive at least \$10 in respect of all of the Rights held by such holder.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1 of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may, without the prior approval of the holders of Voting Shares or Rights, make amendments to this Agreement:
 - (i) to correct any clerical or typographical error;
 - (ii) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation or regulations or rules thereunder; or
 - (iii) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement, provided that such action pursuant to this paragraph (iii) shall not adversely affect the interests of the holders of Voting Shares or Rights in any material respect.
- (b) Subject to Subsection 5.4(a), the Corporation may, with the prior approval of the holders of Voting Shares, at any time before the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Any approval of the holders of Voting Shares shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Voting Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.
- (c) Subject to Subsection 5.4(a), the Corporation may, with the prior approval of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the ABCA, with respect to meetings of shareholders of the Corporation.
- (d) Any amendments made by the Corporation to this Agreement pursuant to Subsection 5.4(a)(ii) shall:

- (i) if made before the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Subsection 5.4(b), confirm or reject such amendment;
- (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(c), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting (or any adjournment of such meeting) at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

- (e) Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Corporation shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Subsection 3.1(b), at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right.
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right

to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement.

Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, including without limiting the generality of the foregoing, any necessary approvals of the Toronto Stock Exchange, or any other applicable stock exchange or market or national securities quotation system.

5.8 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event or to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets, then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 20 Business Days prior to the date of taking of such proposed action by the Corporation.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

DIRTT Environmental Solutions Ltd.
7303, 30 Street S.E.
Calgary, Alberta T2C 1N6

Attention: Legal Department
Fax No.:(403) 723-6644
Email: legal@dirtt.com

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Computershare Trust Company of Canada
800, 324 – 8th Avenue SW

Calgary, Alberta T2P 2Z2

Attention: General Manager Client Services

Fax No.: (403) 267-6529

Email: Tara.Israelson@computershare.com

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Rights of Board and Corporation

Without limiting the generality of the foregoing, nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of Voting Shares reject or accept any Take-over Bid or take any other action (including, without limitation, the commencement, prosecution, defence or settlement of any litigation and the submission of additional or alternative Take-over Bids or other proposals to the holders of Voting Shares) with respect to any Take-over Bid or otherwise that the Board of Directors believes is necessary or appropriate in the exercise of its fiduciary duties.

5.11 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder, on a solicitor and his own client basis, to enforce his rights pursuant to any Rights or this Agreement.

5.12 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.13 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.14 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Alberta and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent ou qui en coulent soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto or resulting therefrom be drawn up in English.

5.16 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.17 Effective Date

This Agreement amends and restates the Original Agreement. Notwithstanding its amendment and restatement as of the date hereof, this Agreement is effective and in full force and effect in accordance with its terms and conditions from and after the Effective Date. If this Agreement is not confirmed by resolution passed by a majority of the votes cast by the Independent Shareholders who vote in respect of such confirmation at a meeting of shareholders to be held not later than six months from the Effective Date, or such other date as may be agreed to by the Toronto Stock Exchange, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date which is the earlier of (a) the date of termination of the meeting called to consider the confirmation of this Agreement and (b) six months from the Effective Date, or such other date as may be agreed to by the Toronto Stock Exchange.

5.18 Reconfirmation

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by Independent Shareholders who vote in respect of such reconfirmation at every third annual meeting of the Corporation following the meeting at which this Agreement is confirmed. If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the applicable annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived) prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.18.

5.19 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made or approved by the Board of Directors in connection herewith, in good faith, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

5.20 Declaration as to Non-Canadian Holders and Non-U.S. Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to a Canadian resident Fiduciary of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Persons entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.21 Time of the Essence

Time shall be of the essence in this Agreement.

5.22 Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DIRTT ENVIRONMENTAL SOLUTIONS LTD.

By: /s/ Benjamin Urban
Name: Benjamin Urban
Title: Chief Executive Officer

COMPUTERSHARE TRUST COMPANY OF CANADA

By: /s/ Reymer Espinas
Name: Reymer Espinas
Title: Relationship Manager

By: /s/ Christopher Parsons
Name: Christopher Parsons
Title: Account Group Manager

ATTACHMENT 1

DIRTT ENVIRONMENTAL SOLUTIONS LTD.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, AND AMENDMENT OR TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement dated as of March 22, 2024, as amended and restated as of August 2, 2024, and as the same may be amended or supplemented from time to time (the "**Shareholder Rights Agreement**"), between DIRTT Environmental Solutions Ltd., a corporation amalgamated under the laws of the Province of Alberta (the "**Corporation**") and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (the "**Rights Agent**") (which term shall include any successor Rights Agent under the Shareholder Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Shareholder Rights Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Agreement), one fully paid common share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent, together with payment of the Exercise Price by certified cheque, bank draft or money order payable to the Corporation, at the Rights Agent's principal office in any of the cities of Calgary and Toronto. Until adjustment thereof in certain events as provided in the Shareholder Rights Agreement, the Exercise Price shall be:

- (a) until the Separation Time, an amount equal to three times the Market Price (as such term is defined in the Shareholder Rights Agreement), from time to time, per Common Share; and
- (b) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.

In certain circumstances described in the Shareholder Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase or receive assets, debt securities or shares in the capital of the Corporation other than Common Shares, or more or less than one Common Share, all as provided in the Shareholder Rights Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Agreement reference is hereby made for a full description of the rights, limitations of

rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Shareholder Rights Agreement are on file at the registered office of the Corporation and are available upon request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Shareholder Rights Agreement, the Rights evidenced by this Rights Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a redemption price of \$0.00001 per Right.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Shareholder Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent. WITNESS the facsimile signature of the proper officer of the Corporation.

Date: _____

**DIRTT ENVIRONMENTAL SOLUTIONS
LTD.**

By: _____

Countersigned:

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: _____
Authorized Signature

By: _____
Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____

(Please print name and address of transferee).

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature

(Please print name of Signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian chartered bank or trust company, a member firm of a recognized stock exchange in Canada, a registered national securities exchange in the United States, a member of the Investment Dealers Association of Canada or National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in Canada or the United States or a member of the Securities Transfer Association Medallion (Stamp) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of the foregoing. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

Signature

(Please print name of Signatory)

(To be attached to each Rights Certificate.)

FORM OF ELECTION TO EXERCISE

(To be executed by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: _____

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

(Name)

(Address)

(City and Province or State)

Social Insurance Number or other taxpayer identification number.

Dated: _____

Signature

(Please print name of Signatory)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Address)

(City and Province or State)

Social Insurance Number or other taxpayer identification number.

Dated: _____

Signature

(Please print name of Signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian chartered bank or trust company, a member firm of a recognized stock exchange in Canada, a registered national securities exchange in the United States, a member of the Investment Dealers Association of Canada or National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in Canada or the United States or a member of the Securities Transfer Association Medallion (Stamp) Program.

CERTIFICATE

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of the foregoing. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

Signature

(Please print name of Signatory)

(To be attached to each Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Shareholder Rights Agreement). No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

CONVERTIBLE DEBENTURE REPURCHASE AGREEMENT

THIS CONVERTIBLE DEBENTURE REPURCHASE AGREEMENT (this “**Agreement**”) is entered into as of August 2, 2024, by and between DIRT Environmental Solutions Ltd., a corporation existing under the laws of Alberta (the “**Company**”), on the one hand, and 22NW Fund, LP, a limited partnership existing under the laws of Delaware (the “**Selling Debentureholder**”), on the other hand.

Recitals

WHEREAS, the Selling Debentureholder beneficially owns an aggregate of C\$18,915,000 principal amount of the Company’s outstanding 6.00% convertible unsecured subordinated debentures due January 31, 2026 (the “**January Debentures**”) and C\$13,638,000 principal amount of the Company’s outstanding 6.25% convertible unsecured subordinated debentures due December 31, 2026 (the “**December Debentures**” and together with the January Debentures, the “**Debentures**”);

AND WHEREAS, the Selling Debentureholder desires to sell to the Company, and the Company desires to repurchase from the Selling Debentureholder, the Debentures at the Purchase Price upon the terms and subject to the conditions set forth in this Agreement;

AND WHEREAS, the Company, the Selling Debentureholder and WWT Opportunity #1 LLC have concurrently herewith entered into a support and standstill agreement effective as of the date hereof;

NOW, THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows:

Definitions

“**Common Shares**” means the common shares in the capital of the Company.

“**Governmental Entity**” means: (a) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, county, municipal, local, or other; (b) any subdivision or authority of any of the above; (c) any stock exchange; and (d) any quasi-governmental or private body exercising any regulatory, expropriation, investing or taxing authority under or for the account of any of the above.

“**Market Price**” means the average trading price of the applicable Debentures for the 20 Trading Days immediately preceding the date of this Agreement.

“**Purchase Price**” means C\$22,104,591.45, being a 4% discount on the applicable Market Price plus a cash payment for all accrued and unpaid interest up to, but excluding, the date on which

such Debentures are purchased by the Company. For greater certainty, the Purchase Price includes C\$12,948,755.05 in respect of the January Debentures plus C\$3,109.32 for accrued and unpaid interest and C\$9,077,998.32 in respect of the December Debentures plus C\$74,728.77 for accrued and unpaid interest.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Trading Day**” means a day on which (i) trading in the Common Shares (or other security for which a closing sale price must be determined) generally occurs on the Toronto Stock Exchange and (ii) a last reported sale price for the Common Shares is available on that securities exchange.

Agreement

1. Repurchase.

(a) Purchase and Sale. On the date of the Closing (as defined below), upon the terms and subject to the conditions of this Agreement, the Company hereby agrees to repurchase from the Selling Debentureholder, and the Selling Debentureholder hereby agrees to sell, convey, assign, transfer and deliver, or cause to be delivered, to the Company, the Debentures for an aggregate purchase price equal to the Purchase Price, free and clear of any and all mortgages, pledges, encumbrances, liens, security interests, options, charges, claims, deeds of trust, deeds to secure debt, title retention agreements, rights of first refusal or offer, limitations on voting rights, proxies, voting agreements, limitations on transfer or other agreements or claims of any kind or nature whatsoever (collectively, “**Liens**”).

(b) Closing. Subject to the terms and conditions of this Agreement and the delivery of the deliverables contemplated by Section 1(c) of this Agreement, the parties shall use commercially reasonable efforts to complete the closing of the sale of the Debentures contemplated hereby (the “**Closing**”) on the date hereof, and in any event within 30 days following the date hereof, at a time and place mutually agreed by the parties.

(c) Closing Deliveries and Actions.

- (i) At the Closing, the Selling Debentureholder shall arrange for an appropriate electronic transfer of the Debentures to one or more accounts designated by the Company, sufficient to convey to the Company good, valid and marketable title in and to the Debentures, free and clear of any and all Liens.
- (ii) At the Closing, the Company shall deliver to the Selling Debentureholder by wire transfer to the account to be designated by the Selling Debentureholder immediately available funds in Canadian dollars in an amount equal to the Purchase Price.

(d) Conditions of the Selling Debentureholder's Obligations at Closing. The obligation of the Selling Debentureholder to sell the Debentures is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

- (i) The representations and warranties contained in Section 2 shall be true and correct in all respects as of the Closing.
- (ii) The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Closing.
- (iii) There shall be no pending suit, action or proceeding by any federal, state, local or foreign court, administrative agency or governmental or regulatory authority or body (each, an "Authority") to which the Company or any of its properties is subject, seeking to challenge, restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement.

(e) Conditions of the Company's Obligations at Closing. The obligation of the Company to purchase the Debentures is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

- (i) The representations and warranties contained in Section 3 shall be true and correct in all respects as of the Closing.
- (ii) The Selling Debentureholder shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Selling Debentureholder on or before the Closing.
- (iii) There shall be no pending suit, action or proceeding by any Authority to which the Company or any of its properties is subject, seeking to challenge, restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement.

2. **Representations of the Company.** The Company represents and warrants to the Selling Debentureholder that, as of the date hereof and at the Closing:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the Province of Alberta.

(b) The Company has the full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(c) This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company,

enforceable in accordance with its terms, except to the extent that (i) such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceedings may be brought.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in the breach of any of the terms or conditions of, constitute a default under or violate, accelerate or permit the acceleration of any other similar right of any other party under the articles or bylaws of the Company, any law, rule or regulation or any agreement, lease, mortgage, note, bond, indenture, license or other document or undertaking to which the Company is a party or by which the Company or its properties may be bound, nor will such execution, delivery and consummation violate any order, writ, injunction or decree of any Authority to which the Company or any of its properties is subject, the effect of any of which, either individually or in the aggregate, would have, or reasonably be expected to have, a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, or materially affect the Company's ability to consummate the transactions contemplated by this Agreement (a "**Material Adverse Effect**"); and no consent, approval, authorization, order, registration or qualification of or with any such Authority is required for the consummation by the Company of the transactions contemplated by this Agreement, except such consents, approvals, authorizations and orders as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) The Company acknowledges that it has not relied upon any express or implied representations or warranties of any nature made by or on behalf of the Selling Debentureholder, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of the Company in this Agreement.

3. **Representations of the Selling Debentureholder**. The Selling Debentureholder represents and warrants to the Company that, as of the date hereof and at the Closing:

(a) The Selling Debentureholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) The Selling Debentureholder has the full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and consummate the transactions contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(c) This Agreement has been duly and validly authorized, executed and delivered by the Selling Debentureholder, and constitutes a legal, valid and binding obligation of the Selling Debentureholder, enforceable in accordance with its terms, except to the extent that (i) such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceedings may be brought.

(d) The sale of the Debentures to be sold by the Selling Debentureholder hereunder and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in the breach of any of the terms or conditions of, constitute a default under or violate, accelerate or permit the acceleration of any other similar right of any other party under the governing organizational documents of the Selling Debentureholder, any law, rule or regulation, or any agreement, lease, mortgage, note, bond, indenture, license or other document or undertaking, to which the Selling Debentureholder is a party or by which the Selling Debentureholder or its properties may be bound, nor will such execution, delivery and consummation violate any order, writ, injunction or decree of any Authority to which the Selling Debentureholder or any of its properties is subject, the effect of any of which, either individually or in the aggregate, would affect the validity of the Debentures to be sold by the Selling Debentureholder or reasonably be expected to materially affect the Selling Debentureholder's ability to perform its obligations under this Agreement; and no consent, approval, authorization, order, registration or qualification of or with any such Authority is required for the performance by the Selling Debentureholder of its obligations under this Agreement and the consummation by the Selling Debentureholder of the transactions contemplated by this Agreement in connection with the Debentures to be sold by the Selling Debentureholder hereunder, except such consents, approvals, authorizations and orders as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Selling Debentureholder's ability to consummate the transactions contemplated by this Agreement.

(e) The transfer of Debentures made by the Selling Debentureholder at the Closing will be a valid and binding obligation of the Selling Debentureholder, enforceable in accordance with its terms, and will vest in the Company good, valid and marketable title to all Debentures purchased by the Company, free and clear of any and all Liens.

(f) The Selling Debentureholder is a sophisticated investor and knows that the Company may have material non-public information concerning the Company and its condition (financial and otherwise), results of operations, businesses, properties, plans and prospects and that such information could be material to the Selling Debentureholder's decision to sell the Debentures or otherwise materially adverse to the Selling Debentureholder's interests. The Selling Debentureholder is not relying on the disclosure or omission of any such information. The Selling Debentureholder acknowledges and agrees that the Company shall have no obligation to disclose to it any such information and hereby waives and releases, to the fullest extent permitted by applicable law, any and all claims and causes of action it has or may have against Company and its affiliates, officers, partners, directors, employees, agents and representatives based upon, relating to or arising out of nondisclosure of such information or the sale of the Debentures hereunder.

(g) The Selling Debentureholder has adequate information concerning the business and financial condition of the Company to make an informed decision regarding the sale of the Debentures and has, independently and without reliance upon the Company, made its own analysis and decision to sell the Debentures. With respect to legal, tax, accounting, financial and other considerations involved in the transactions contemplated by this Agreement, including the sale of the Debentures, the Selling Debentureholder is not relying on the Company (or any agent or representative thereof). The Selling Debentureholder has carefully considered and, to the extent

it believes such discussion is necessary, discussed with professional legal, tax, accounting, financial and other advisors the suitability of the transactions contemplated by this Agreement, including the sale of the Debentures.

(h) The Selling Debentureholder acknowledges that it has not relied upon any express or implied representations or warranties of any nature made by or on behalf of the Company, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of the Selling Debentureholder in this Agreement.

4. **Additional Covenants.** The Selling Debentureholder shall be responsible for the payment of any transfer or similar taxes in connection with the transaction contemplated by this Agreement.

5. **Withholding Rights.**

(a) The Company will be entitled to deduct and withhold from the payment of the Purchase Price any amounts which the Company is required to deduct and withhold with respect to such payment under any applicable laws, including under the Tax Act. For the purposes hereof, provided any such withheld amounts are timely remitted to the appropriate Governmental Entity, all such withheld amounts shall be treated as having been paid to the Selling Debentureholder.

(b) In the event that any Canadian withholding tax is determined to apply to the Purchase Price, the Company and Selling Debentureholder agree to work cooperatively to reduce the rate of withholding having regard to any available exemptions or reductions under any applicable income tax treaty between Canada and the jurisdiction of residence of the Selling Debentureholder and its members, and, in such event the Selling Shareholder shall provide the Company with any required information.

(c) In the event that the CRA audits or proposes to reassess the Company with respect to any withholding tax on the payment of the Purchase Price, the Selling Debentureholder agrees that the Company shall be entitled to provide the CRA with any of the information referenced in paragraph (b) above, and further agrees to cooperate with the Company to provide any other information that is requested by the CRA regarding the Selling Debentureholder with respect to such audit or reassessment. The Selling Debentureholder agrees to indemnify and hold the Company harmless for any taxes (including interest and penalties) imposed on the Company as a result of the CRA determining that the Company should have withheld tax at a higher rate than the rate actually used by the Company in respect of the Selling Debentureholder.

6. **Publicity.** Each of the Selling Debentureholder and the Company agrees that it shall not, and that it shall cause its affiliates and representatives not to, (a) publish, release or file any initial press release or other public statement or announcement relating to the transactions contemplated by this Agreement (an “**Initial Press Release**”) before providing a copy of such release, statement or announcement to the other, and (b) after the date hereof, publish, release or file any future press release or other public statement or announcement relating to the transactions contemplated by this Agreement that is materially inconsistent with any such Initial Press Release;

provided, however, that nothing in this Section 6 shall restrict the ability of the Company or the Selling Debentureholder to file any document required to be filed under applicable securities laws relating to the transactions contemplated by this Agreement, without further review or consent from the other party.

7. **Notices.** All notices, requests, claims, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered personally, mailed by certified or registered mail (return receipt requested and postage prepaid), sent via a nationally recognized overnight courier, or sent via email (receipt of which is confirmed) to the recipient. Such notices, demands and other communications shall be sent as follows:

If to the Selling Debentureholder:

Attention: Aron English
Email:

If to the Company:

7303 – 30th Street S.E.
Calgary, AB T2C 1N6

Attention: Fareeha Khan, Chief Financial Officer
Email:

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

8. **Miscellaneous.**

(a) **Survival of Representations and Warranties.** All representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby until the expiration of the applicable statute of limitations.

(b) **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

(c) Complete Agreement. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Selling Debentureholder with respect to the subject matter hereof.

(d) Counterparts. This Agreement may be executed by any one or more of the parties hereto in counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. This Agreement, and any and all agreements and instruments executed and delivered in accordance herewith, to the extent signed and delivered by means of facsimile or other electronic format or signature (including email, “pdf,” “tif,” “jpg,” DocuSign and Adobe Sign), shall be treated in all manner and respects and for all purposes as an original signature and an original agreement or instrument and shall be considered to have the same legal effect, validity and enforceability as if it were the original signed version thereof delivered in person.

(e) Further Assurances. Subject to the other terms of this Agreement, the parties hereto agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the transactions contemplated by this Agreement.

(f) Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by either party without the prior written consent of the other party. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Selling Debentureholder and the Company and their respective successors and assigns.

(g) No Third Party Beneficiaries or Other Rights. This Agreement is for the sole benefit of the parties and their successors and permitted assigns and nothing herein express or implied shall give or shall be construed to confer any legal or equitable rights or remedies to any person other than the parties to this Agreement and such successors and permitted assigns.

(h) Governing Law. This Agreement shall be interpreted in accordance with, and shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties irrevocably and unconditionally: (i) submits to the exclusive jurisdiction of the courts of the Province of Alberta over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

(i) Mutuality of Drafting. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of the Agreement.

(j) Remedies. Each of the parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent

jurisdiction (without posting any bond or deposit) for specific performance or other injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

(k) Amendment and Waiver. No modification of or amendment to this Agreement shall be effective unless in a writing signed by the parties to this Agreement, and no waiver of any rights under this Agreement shall be effective unless in a writing signed by the waiving party.

(l) Expenses. Each of the Company and the Selling Debentureholder shall bear its own costs and expenses in connection with the drafting, negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Debenture Repurchase Agreement as of the date first written above.

**DIRTT ENVIRONMENTAL SOLUTIONS
LTD.**

By: /s/ Fareeha Khan
Name: Fareeha Khan
Title: Chief Financial Officer

**22NW FUND, LP, by its general partner, 22NW
Fund GP, LLC**

By: /s/ Aron English
Name: Aron English
Title: Manager

SUPPORT AND STANDSTILL AGREEMENT

THIS SUPPORT AND STANDSTILL AGREEMENT dated this 2nd day of August, 2024 (this "**Agreement**"), is made by and among 22NW Fund, LP, a limited partnership existing under the laws of Delaware ("**22NW**"), WWT Opportunity #1 LLC, a limited liability company existing under the laws of Delaware ("**WWT**") and DIRT Environmental Solutions Ltd., a corporation existing under the laws of Alberta ("**DIRT**").

WHEREAS 22NW beneficially owns, or exercises control or direction over, an aggregate of 57,447,988 common shares in the capital of DIRT ("**Shares**") (excluding Shares issuable upon the conversion of the January Debentures and the December Debentures subject to the Debt Purchase Agreement (each as defined herein));

AND WHEREAS 22NW and DIRT previously entered into a support and standstill agreement dated March 22, 2024 (the "**Original Agreement**"), which is superseded and replaced by this Agreement;

AND WHEREAS WWT beneficially owns, or exercises control or direction over, an aggregate of 53,380,753 Shares;

AND WHEREAS pursuant to an agreement entered into by 22NW and DIRT concurrently herewith (the "**Debt Purchase Agreement**"), 22NW has agreed to sell, and DIRT has agreed to purchase, all debentures of DIRT owned by 22NW and its Affiliates, being C\$18,915,000 principal amount of DIRT's 6.00% convertible unsecured subordinated debentures due January 31, 2026 ("**January Debentures**") and C\$13,638,000 principal amount of DIRT's 6.25% convertible unsecured subordinated debentures due December 31, 2026 (the "**December Debentures**");

AND WHEREAS DIRT, 22NW and WWT wish to enter into this Agreement in order to reflect their mutual agreement with respect to certain matters related to the 2025 Meeting, the 2026 Meeting and the 2024 SRP Meeting (each as defined herein) and certain related matters;

NOW THEREFORE in consideration of the respective representations, warranties, covenants, agreements and conditions hereinafter set forth and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party hereto), the parties hereto agree as follows:

Section 1. Rules of Interpretation

- 1.1 In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- 1.2 The inclusion in this Agreement of headings of Sections are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- 1.3 Unless the context requires otherwise, references in this Agreement to Sections are to Sections of this Agreement.
- 1.4 Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

- 1.5 The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- 1.6 Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, and for any statute or regulation in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- 1.7 All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

Section 2. Defined Terms

- 2.1 **"2024 SRP Meeting"** means the special meeting of shareholders of DIRTТ to be held within six months, or such other date as may be agreed to by the TSX, of the adoption of the Rights Plan to consider the approval of the Rights Plan.
- 2.2 **"2025 Meeting"** means the annual meeting of shareholders of DIRTТ to be held in 2025 at which directors are to be elected and any other meeting of shareholders of DIRTТ in 2024 or 2025 at which directors are to be elected.
- 2.3 **"2026 Meeting"** means the annual meeting of shareholders of DIRTТ to be held in 2026 at which directors are to be elected and any other meeting of shareholders of DIRTТ in 2026 at which directors are to be elected.
- 2.4 **"22NW"** shall have the meaning ascribed thereto in the recitals.
- 2.5 **"ABCA"** means the *Business Corporations Act* (Alberta).
- 2.6 **"Affiliate"** means, with respect to any party to this Agreement, any Person which (i) Controls, (ii) is Controlled by, or (iii) is under common Control with, such party.
- 2.7 **"Board"** means the board of directors of DIRTТ.
- 2.8 **"Business Day"** means any day other than a Saturday, Sunday or a day on which banking institutions in Calgary, Alberta are authorized or obligated by law to close.
- 2.9 **"Capped Amount"** means 57,447,988 Shares (including Shares issuable on the conversion, exercise or exchange of Convertible Securities), as may be adjusted for stock splits, reclassifications, combinations and other similar adjustments of the Shares.
- 2.10 **"Control"** means, when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person at the relevant time of shares of that corporation carrying the greater of (i) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation, and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors, and, when

applied to the relationship between a Person and a partnership, limited partnership, trust, joint venture or other entity, means the beneficial ownership by that Person at the relevant time of more than 50% of the ownership interests of the partnership, limited partnership, trust, joint venture or other entity, or the contractual right to direct the affairs of the partnership, limited partnership, trust, joint venture or other entity; and the words "Controlled by", "Controlling" and similar words have corresponding meanings; provided, that a Person who Controls a corporation, partnership, limited partnership, joint venture or other entity will be deemed to Control a corporation, partnership, limited partnership, trust, joint venture or other entity which is Controlled by such Person and so on. For the purposes of this Agreement, Aron English is deemed to Control 22NW and Shaun Noll is deemed to Control WWT.

- 2.11 **"Convertible Security"** means a security convertible, exercisable or otherwise exchangeable into a Share.
- 2.12 **"DIRTT"** shall have the meaning ascribed thereto in the recitals.
- 2.13 **"DIRTT Nominees"** means each of the directors nominated by the Board and recommended by the Board for election to the Board at each of the 2025 Meeting and the 2026 Meeting.
- 2.14 **"Early Warning Requirements"** means the disclosure requirements set out in National Instrument 62-103- *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and National Instrument 62-104- *Take-Over Bids and Issuer Bids*.
- 2.15 **"Fall Off Event"** means any event where (i) DIRTT or any of its Affiliates enters (or publicly announces that it plans to enter) into a definitive agreement involving, or resulting in, any other Person acquiring (together with its Affiliates and joint actors) 20% or more of the outstanding Shares (including Shares issuable on the conversion, exercise or exchange of Convertible Securities) or 20% or more of the outstanding shares of any class of any subsidiary of DIRTT or all or substantially all of DIRTT or any of its Affiliates' assets (whether by business combination, amalgamation, plan of arrangement, tender offer, take-over bid, exchange offer, recapitalization, restructuring, liquidation, sale, equity issuance or otherwise); or (ii) any other Person (other than a Shareholder), together with its Affiliates and joint actors, commences a take-over bid in accordance with Canadian securities laws by filing a take-over bid circular, or otherwise acquires beneficial ownership of 20% or more of the outstanding Shares (including Shares issuable on the conversion, exercise or exchange of Convertible Securities). For greater certainty, "Fall Off Event" shall not include any internal reorganization or similar transaction involving DIRTT, its Affiliates or subsidiaries, provided any such transaction does not result in any change in the beneficial ownership of Shares or any transaction where an underwriter or member of a banking or selling group becomes the beneficial owner of 20% or more of the Shares (including Shares issuable on the conversion, exercise or exchange of Convertible Securities) in connection with a distribution of securities of the Company pursuant to an underwriting agreement with the Company.
- 2.16 **"Person"** means any individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.
- 2.17 **"Regulations"** mean all statutes, laws, rules, orders, judgements, writs, injunctions, decrees, regulations and directions of governmental or other competent authorities, governmental boards or agencies, tribunals, courts, commissions, administrative agencies, stock exchanges, arbitrators, or judicial authorities having jurisdiction over the parties hereto.

- 2.18 **"Replacement Shareholder Director"** shall have the meaning ascribed thereto in Section 3.2.
- 2.19 **"Representatives"** means, in relation to a party to this Agreement, its Affiliates and its and their respective directors, officers, employees, agents, professional advisors and other Persons in similar capacity; provided that such agents, professional advisors and other Persons are acting on behalf of or in connection with their service to a party to this Agreement.
- 2.20 **"Shareholders"** means collectively 22NW and WWT, and **"Shareholder"** means either one.
- 2.21 **"Shares"** shall have the meaning ascribed thereto in the recitals.
- 2.22 **"Rights Plan"** means the amended and restated shareholder rights plan agreement dated effective August 2, 2024 which amends and restates the shareholder rights plan agreement dated March 22, 2024 between DIRTТ and Computershare Trust Company of Canada, as rights agent, as it may be amended from time to time.
- 2.23 **"Shareholder Directors"** shall mean, collectively, the 22NW Director and the WWT Director.
- 2.24 **"Termination Date"** shall have the meaning ascribed thereto in Section 8.1.
- 2.25 **"TSX"** means the Toronto Stock Exchange.
- 2.26 **"WWT"** shall have the meaning ascribed thereto in the recitals.

Section 3. DIRTТ Nominees and Support

- 3.1 Subject to Section 3.5, each Shareholder, on behalf of itself and each of its Affiliates, hereby agrees to complete and cause the management forms of proxy, voting instruction forms and other voting directions, as applicable, in respect of all Shares that it is entitled to vote at each of the 2025 Meeting and the 2026 Meeting (and at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected), to be validly executed and delivered and to be voted in favour of the election of the DIRTТ Nominees, and not withdraw those forms of proxy or voting instructions or directions, as applicable. Each Shareholder shall take all other necessary or advisable actions to cause such Shares to be so voted and shall provide evidence to DIRTТ that such Shares have been voted in accordance with this Agreement at least seven Business Days prior to each of the 2025 Meeting and the 2026 Meeting (and at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected).
- 3.2 Subject to 22NW, together with its Affiliates, continuing to beneficially own, or exercising control or direction over at least the lesser of (i) not less than 20% of the then issued and outstanding Shares and (ii) 38,592,529 Shares (subject in each case to adjustment for stock splits, reclassifications, combinations and similar adjustments), DIRTТ agrees that at each of the 2025 Meeting and the 2026 Meeting (and at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected), the Board, and any applicable committees thereof, will nominate Aron English or, failing him, such other Replacement Shareholder Director designated by 22NW in accordance with Section 3.4 (the **"22NW Director"**) for election as a director and the 22NW Director shall be a DIRTТ Nominee.
- 3.3 Subject to WWT, together with its Affiliates, continuing to beneficially own, or exercising control or direction over at least the lesser of (i) not less than 20% of the then issued and outstanding Shares and (ii) 38,592,529 Shares (subject in each case to adjustment for stock splits, reclassifications,

combinations and similar adjustments), DIRTТ agrees that at each of the 2025 Meeting and the 2026 Meeting (and at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected), the Board, and any applicable committees thereof, will nominate Shaun Noll or, failing him, such other Replacement Shareholder Director designated by WWT in accordance with Section 3.4 (the "**WWT Director**") for election as a director and the WWT Director shall be a DIRTТ Nominee.

- 3.4 DIRTТ shall recommend, support and use all commercially reasonable efforts to solicit proxies for the election of each of the Shareholder Directors at the 2025 Meeting and the 2026 Meeting (and at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected) in the same manner as it recommends, supports and solicits proxies for the election of the other DIRTТ Nominees. If either Shareholder Director is unable or unwilling to serve as a director, resigns as a director, is removed as a director, or ceases to be a director for any other reason prior to the Termination Date, 22NW in the case of the 22NW Director, or WWT, in the case of the WWT Director, shall identify a replacement director (such individual, a "**Replacement Shareholder Director**"), and subject to Board approval (not to be unreasonably withheld, conditioned or delayed), the Board, and any applicable committees thereof, shall take such actions as are necessary to promptly appoint such Replacement Shareholder Director to serve as a director of DIRTТ for the remainder of the applicable Shareholder Director's term. Effective upon the appointment of the Replacement Shareholder Director to the Board, such Replacement Shareholder Director will be considered the applicable Shareholder Director for all purposes of this Agreement.
- 3.5 A Shareholder shall not be bound by the obligations set forth in Section 3.1 in respect of either the 2025 Meeting or the 2026 Meeting (or at any other meeting of DIRTТ held prior to the Termination Date at which directors are to be elected), as applicable, in the event that the DIRTТ Nominees for the applicable meeting, either (i) do not include the 22NW Director, in the case of 22NW, or the WWT Director, in the case of WWT (or an applicable Replacement Shareholder Director) and/or (ii) include more than one director nominee of the other Shareholder (or any successor to that Person).
- 3.6 Until the Termination Date, each Shareholder, together with its Affiliates, shall not beneficially own, or exercise control or direction over, Shares in excess of the Capped Amount (in the case of 22NW, excluding Shares issuable upon the conversion of the January Debentures and December Debentures subject to the Debt Purchase Agreement), regardless of the terms of the Rights Plan or whether or not the Rights Plan is approved at the 2024 SRP Meeting, or of any other shareholder rights plan(s) that may be adopted prior to the Termination Date, provided that the foregoing restriction shall cease to apply and be of no further force or effect from and after the occurrence of a Fall Off Event. At any time prior to the Termination Date, WWT may increase the number of Shares it beneficially owns, or exercises direction or control over, up to and including the Capped Amount by purchasing Shares in the market in compliance with applicable laws and the rules of the TSX; however, in no event shall the number of Shares beneficially owned by either Shareholder, or over which such Shareholder exercises control or direction, increase as a result of the issuance of Shares from treasury, other than pursuant to Section 3.9.
- 3.7 DIRTТ acknowledges and agrees that WWT shall not be deemed to become an "Acquiring Person" by virtue of its acquiring Shares in accordance with Section 3.6 and shall remain a "Grandfathered Person" in accordance with the Rights Plan, notwithstanding any purchases made pursuant to Section 3.6 prior to the Termination Date. The parties acknowledge and agree that, prior to the Termination Date, any shareholder rights plan adopted by the Board shall include provisions to allow for WWT to acquire Shares as contemplated in Section 3.6 (in the same form as the Rights Plan).

3.8 Until the Termination Date, without the prior written consent of DIRT, each Shareholder will not, and will cause its Representatives to not, directly or indirectly or jointly or in concert with any other Person:

- (a) solicit or participate or join with any Person in the solicitation of any proxies to vote, or seek to influence any Person with respect to the voting of, any Shares, in respect of the election of directors of DIRT, in each case other than in accordance with the recommendation of the Board;
- (b) seek to requisition, join in any requisition or call a meeting of shareholders of DIRT in respect of the election of directors of DIRT;
- (c) (i) nominate or propose the nomination of any candidate for election to, the Board or (ii) effect or attempt to effect the removal of any member of the Board or otherwise alter the composition of the Board, in each case other than in accordance with Sections 3.2, 3.3 and 3.4;
- (d) submit or induce any Person to submit any shareholder proposal in respect of DIRT pursuant to Section 136 of the ABCA;
- (e) advise, assist, encourage or act jointly or in concert with any other Person in connection with any of the foregoing; or
- (f) make any public disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing,

provided that, in each case, this Section 3.8 shall not prohibit or restrict (i) any Shareholder Director from taking any actions in his or her capacity as a director of DIRT or (ii) any Shareholder or its Affiliates from providing its views privately to any member of the Board or management of DIRT regarding any matter as long as such private communications or requests would not reasonably be expected to require public disclosure of such communications or requests by DIRT or the Shareholder and its Affiliates.

3.9 Until the Termination Date, without the written consent of the Company, neither Shareholder nor its respective Affiliates shall become the beneficial owner of any January Debentures, December Debentures, or any other debt securities convertible into Shares; provided that 22NW shall not be in breach of this provision as a result of its beneficial ownership of the January Debentures and the December Debentures subject to the Debt Purchase Agreement, which shall be repurchased by the Company in accordance therewith.

3.10 Until the Termination Date, DIRT agrees that it will not enter into any transaction with one Shareholder or any other person beneficially owning more than 10% of the outstanding Shares or their respective Affiliate(s) involving the direct or indirect issuance to such Shareholder or such other person or their respective Affiliates of additional Shares, or securities or other rights convertible or exercisable or otherwise entitling such party or other person to additional Shares, without providing the other Shareholder or both Shareholders, as applicable, the opportunity, on reasonable notice, to participate in such transaction on the same terms (including, without limitation, as to the number of Shares to be acquired by such party).

Section 4. Agreement to Support Rights Plan

- 4.1 Subject to the Board approving the Rights Plan and the Rights Plan being submitted for approval at the 2024 SRP Meeting, each Shareholder, on behalf of itself and each of its Affiliates, hereby agrees to (i) complete and cause the management forms of proxy, voting instruction forms and other voting directions, as applicable, in respect of all Shares that it is entitled to vote at the 2024 SRP Meeting, to be validly executed and delivered and to be voted in favour of the approval of the Rights Plan, and not withdraw those forms of proxy or voting instructions or directions, as applicable; and (ii) make such efforts as reasonably requested by the Board to promote the approval of the Rights Plan by the shareholders of DIRT T at the 2024 SRP Meeting. Each Shareholder shall take all other necessary or advisable actions to cause such Shares to be so voted and shall provide evidence to DIRT T that such Shares have been voted in accordance with this Agreement at least seven Business Days prior to the 2024 SRP Meeting.
- 4.2 Until the Termination Date, each Shareholder agrees not to commence an unsolicited Take-over Bid (as such term is defined in the Rights Plan) for the Shares; provided that either Shareholder shall not be bound by this Section 4.2 if any Person (other than either of the Shareholders or their respective Affiliates) makes a "Permitted Bid" (as such term is defined in the Rights Plan) under the Rights Plan or the Board waives the application of the Rights Plan in respect of any Person in accordance with the terms thereof. If the Rights Plan is not approved at the 2024 SRP Meeting or is otherwise not in effect prior to the Termination Date, a Shareholder is not permitted to commence a take-over bid prior to the Termination Date; provided that if a Person (other than either of the Shareholders or their respective Affiliates) commences a take-over bid relating to DIRT T by filing a take-over bid circular in accordance with Canadian securities laws, or otherwise acquires beneficial ownership of 20% or more of the outstanding Shares (other than an underwriter or member of a banking or selling group that becomes the beneficial owner of 20% or more of the Shares in connection with a distribution of securities of the Company pursuant to an underwriting agreement with the Company), either Shareholder may commence a competing take-over bid in accordance with Canadian securities laws.
- 4.3 DIRT T acknowledges that each Shareholder has independent disclosure obligations regarding this Agreement under the Early Warning Requirements.
- 4.4 DIRT T agrees that until the Termination Date, it will not waive, or allow a waiver of, any terms of the Rights Plan for the benefit of one Shareholder or its Affiliates or any other Person without concurrently providing a waiver on similar terms to the Shareholder(s) and their respective Affiliates. DIRT T shall not grant any waiver of the terms of this Agreement as they apply to a Shareholder without the prior written consent of the other Shareholder.

Section 5. Mutual Non-Disparagement

- 5.1 Each Shareholder agrees that prior to the Termination Date, neither it nor any of its Affiliates nor any of its Representatives or other Person acting on their behalf shall make or cause to be made any written or oral statement, announcement or communication, in any public media or forum, that would reasonably be expected to disparage the reputation, qualifications, character, conduct or behaviour of DIRT T or its Affiliates or any of their respective Representatives in connection with any matter arising out of or relating to DIRT T or any of its Affiliates (provided, for greater certainty, that nothing in this Section 5.1 shall restrict any Person from (i) truthfully answering any question from any regulatory or judicial body, (ii) complying with any regulatory requirements, including but not limited to, complying with the requirements of the Early Warning Requirements or (iii) communicating privately among the Shareholder and its Affiliates and Representatives (in

their respective capacities as such) and DIRT and its Affiliates, and Representatives (in their respective capacities as such)).

- 5.2 DIRT agrees that prior to the Termination Date, neither it nor any of its Affiliates nor any of their Representatives or other Person acting on behalf of DIRT or its Affiliates shall make or cause to be made any written or oral statement, announcement or communication, in any public media or forum, that would reasonably be expected to disparage the reputation, qualifications, character, conduct or behaviour of the Shareholder or any of its respective Representatives in connection with any matter arising out of or relating to DIRT or any of its Affiliates (provided, for greater certainty, that nothing in this Section 5.2 shall restrict any Person from (i) truthfully answering any question from any regulatory or judicial body, (ii) complying with any regulatory requirements, or (iii) communicating privately among DIRT and its Affiliates, and Representatives (in their respective capacities as such) and the Shareholder and its Affiliates and Representatives (in their respective capacities as such)).

Section 6. Representations and Warranties

- 6.1 DIRT represents and warrants as follows as of the date hereof:

- (a) DIRT has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement; and
- (b) this Agreement has been duly and validly authorized, executed and delivered by DIRT, constitutes a valid and binding obligation and agreement of DIRT and is enforceable against DIRT in accordance with its terms.

- 6.2 22NW represents and warrants as follows as of the date hereof:

- (a) 22NW, together with its Affiliates, is the beneficial owner of the Capped Amount (excluding Shares issuable upon the conversion of the January Debentures and December Debentures subject to the Debt Purchase Agreement). 22NW has all power necessary to vote such Shares and, other than pursuant to this Agreement, none of such Shares are subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind;
- (b) it has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement;
- (c) 22NW, together with its Affiliates, is the beneficial owner of C\$18,915,000 principal amount of January Debentures and C\$13,638,000 principal amount of December Debentures; and
- (d) this Agreement has been duly and validly authorized, executed and delivered by it, constitutes a valid and binding obligation and agreement of it and is enforceable against it in accordance with its terms.

- 6.3 WWT represents and warrants as follows as of the date hereof:

- (a) WWT, together with its Affiliates, is the beneficial owner of 53,380,753 Shares. WWT has all power necessary to vote such Shares and, other than pursuant to this Agreement, none of such Shares are subject to any proxy, voting trust, vote pooling or other agreement with

respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind;

- (b) it has the power and authority to execute, deliver and carry out the terms and provisions of this Agreement; and
- (c) this Agreement has been duly and validly authorized, executed and delivered by it, constitutes a valid and binding obligation and agreement of it and is enforceable against it in accordance with its terms.

Section 7. Remedies for Breach

- 7.1 Each party acknowledges and agrees that irreparable harm will occur in the event any of the provisions of this Agreement is not performed in accordance with its specific terms or is otherwise breached and that such injury may not be adequately compensable in monetary damages. It is accordingly agreed that each party shall, in addition to any other remedy to which they may be entitled at law or in equity, be entitled to seek specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof, and the other party hereto will not take any action, directly or indirectly, in opposition to the party seeking relief on the grounds that any other remedy or relief is available at law or in equity, nor seek that the moving party for injunctive relief be required to deposit any funds with the court in support of such remedy.

Section 8. Termination

- 8.1 The provisions of this Agreement shall terminate upon, and this Agreement shall remain in full force and effect and shall be fully binding on the parties hereto in accordance with the provisions hereof until, the earlier of (i) if the repurchase of all of the January Debentures and December Debentures owned by 22NW and its Affiliates is not completed by DIRT within 30 days following the date hereof; (ii) the Board does not approve the Rights Plan; (iii) the 2024 SRP Meeting is not held on or before January 31, 2025, unless the 2024 SRP Meeting is not held prior to such date as a result of any Regulations or any action or inaction by a Shareholder; (iv) any material breach of this Agreement by a party hereto, upon five (5) Business Days' written notice by the non-breaching parties to the breaching party if such breach has not been cured within such notice period, in which event this Agreement can be terminated by one or both of the non-breaching parties; or (v) the date which is 90 days following the 2026 Meeting (the "**Termination Date**").
- 8.2 The Termination Date shall not be extended past a date which is 90 days following the 2026 Meeting without the written consent of the TSX.

Section 9. Assignment

- 9.1 This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. No party to this Agreement may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other parties.

Section 10. Entire Agreement

- 10.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understanding, negotiations and discussions, whether written or oral, including the Original Agreement which shall be of no further force or

effect. There are no conditions, restrictions, agreements, promises, representations, warranties, covenants or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein. This Agreement may be amended only by a written instrument duly executed by the parties or their respective successors or permitted assigns.

Section 11. Notices

11.1 Any demand, notice or other communication authorized or required or permitted to be given in connection with this Agreement shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email, or as of the following business day if sent by prepaid overnight courier, to the parties at the following addresses (or at such other addresses as shall be specified by either party by notice to the other given in accordance with the provisions of this Section 11.1):

(a) if to DIRT:

7303 – 30th Street S.E.
Calgary, AB T2C 1N6

Attention: Fareeha Khan, Chief Financial Officer
Email:

(b) if to 22NW:

Attention: Aron English
Email:

(c) if to WWT:

Attention: Shaun Noll
Email:

Section 12. Governing Law and Jurisdiction

12.1 This Agreement shall be interpreted in accordance with, and shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

12.2 Each of the parties irrevocably and unconditionally: (i) submits to the exclusive jurisdiction of the courts of the Province of Alberta over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

Section 13. No Waiver

- 13.1 Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

Section 14. Severability

- 14.1 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto.

Section 15. Time of Essence

- 15.1 Time is of the essence of this Agreement.

Section 16. Execution in Counterparts

- 16.1 This Agreement may be executed in counterparts and delivered by fax transmission or by email/PDF, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the 2nd day of August, 2024.

DIRTT ENVIRONMENTAL SOLUTIONS LTD.

By: /s/ Benjamin Urban
Name: Benjamin Urban
Title: Chief Executive Officer

22NW FUND, LP

By: 22NW Fund GP, LLC
General Partner

By: /s/ Aron English
Name: Aron English
Title: Manager

WWT OPPORTUNITY #1 LLC

By: /s/ Shaun Noll
Name: Shaun Noll
Title: Managing Member

DIRTT Announces Debenture Repurchase, Enters into Support Agreement and Amends Shareholder Rights Plan

CALGARY, Alberta, August 2, 2024 (GLOBE NEWSWIRE) – DIRTT Environmental Solutions Ltd. ("**DIRTT**" or the "**Company**") (TSX: DRT; OTC: DRTTF), a leader in industrialized construction, announced today that it has entered into an agreement (the "**Repurchase Agreement**") with 22NW Fund LP ("**22NW**"), DIRTT's largest shareholder, to purchase for cancellation an aggregate of C\$18,915,000 principal amount of DIRTT's outstanding 6.00% convertible debentures due January 31, 2026 (the "**January Debentures**") at a purchase price of C\$684.58 per C\$1,000 principal amount of January Debentures and C\$13,638,000 principal amount of DIRTT's outstanding 6.25% convertible debentures due December 31, 2026 (the "**December Debentures**") and together with the January Debentures, the "**Debentures**") at a purchase price of C\$665.64 per C\$1,000 principal amount of December Debentures, for an aggregate purchase price of C\$22,104,591.45, inclusive of a cash payment for all accrued and unpaid interest up to, but excluding, the date on which such Debentures are purchased by the Company (the "**Debenture Repurchase**"). The purchase price of each series of Debentures (excluding the cash payment for accrued and unpaid interest) represents a discount of approximately 4% to the average trading price of the applicable series of Debentures on the Toronto Stock Exchange (the "**TSX**") for the 20 trading days preceding August 2, 2024. Following the Debenture Repurchase, C\$16,642,000 principal amount of the January Debentures and C\$15,587,000 principal amount of the December Debentures will remain outstanding, and 22NW will no longer hold any Debentures.

DIRTT also entered into a support and standstill agreement (the "**Support Agreement**") with 22NW and WWT Opportunity #1 LLC ("**WWT**"), DIRTT's second largest shareholder. The Support Agreement replaces the previously announced support and standstill agreement entered into with 22NW on March 22, 2024. Under the Support Agreement, both 22NW and WWT have agreed to certain voting and standstill obligations, including voting in favor of the management director nominees at each of DIRTT's next two annual general meetings and voting in favor of the ratification of the Amended and Restated SRP (as defined below). Additionally, each of 22NW and WWT has the right to designate a director nominee at each of DIRTT's next two annual general meetings, and are each subject to certain restrictions with respect to commencing a take-over bid for the Company. The Support Agreement also permits WWT to acquire up to 4,067,235 additional common shares of the Company ("**Shares**") through market purchases (representing approximately 2% of the issued and outstanding Shares), which will provide WWT with an opportunity to own the same number of Shares as 22NW (being 57,447,988 Shares, or approximately 29.8% of the current issued and outstanding

Shares). The Support Agreement otherwise prohibits each of 22NW and WWT from acquiring any additional Shares.

To give effect to the terms of the Support Agreement, DIRT's Board of Directors (the "**Board**") has adopted an amended and restated shareholder rights plan effective August 2, 2024 (the "**Amended and Restated SRP**") that amends and restates the Company's shareholder rights plan agreement originally adopted by the Board on March 22, 2024 (the "**Original SRP**"), which remains subject to shareholder approval. The Amended and Restated SRP revises the definition of Exempt Acquisition to permit WWT to acquire additional Shares without triggering the provisions of the Amended and Restated SRP. The Amended and Restated SRP is otherwise consistent with the Original SRP and, as previously announced, is substantially similar to the rights plan adopted by the Company in 2021. Like the Original SRP, the Amended and Restated SRP is intended to help ensure that all shareholders of the Company are treated fairly and equally in connection with any unsolicited take-over bid or other acquisition of control of the Company (including by way of a "creeping" take-over bid). The Amended and Restated SRP is not being adopted in response to any specific proposal to acquire control of the Company, and the Board is not aware of any pending or potential take-over bid for the Company.

While the Amended and Restated SRP has been approved by the Board and is now in effect, it remains subject to shareholder ratification at a special meeting to be held later this year (the "**SRP Meeting**"). To continue to be effective, the Amended and Restated SRP must be approved by a simple majority of the votes cast at the SRP Meeting, as well as a majority of the votes cast at the SRP Meeting excluding votes cast by 22NW and WWT. If the Amended and Restated SRP is not ratified by shareholders, the Amended and Restated SRP and any rights issued thereunder will cease at that time.

The full text of the Support Agreement and the Amended and Restated SRP will be available on the Company's profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

DETAILS OF THE DEBENTURE REPURCHASE

Closing of the Debenture Repurchase is expected to occur later today. DIRT will fund the Debenture Repurchase with cash on hand and remains well positioned to continue funding its ongoing strategic initiatives using cash on hand and operating cash flows.

The Debenture Repurchase was overseen by a Special Committee of the Board consisting entirely of independent directors, which was established to consider strategic financing alternatives and other matters (the "**Special Committee**"). The Special Committee undertook a deliberate and full consideration of the Debenture Repurchase with the assistance of its external advisors. The Special Committee engaged KPMG LLP ("**KPMG**"), who provided an opinion stating that, subject to the assumptions, limitations and qualifications

therein, as of the date thereof, the consideration to be paid by DIRTТ pursuant to the Repurchase Agreement is fair, from a financial point of view, to DIRTТ (the "**Fairness Opinion**"). KPMG was paid a fixed fee for its services. The Special Committee determined that the Debenture Repurchase was in the best interest of DIRTТ and recommended the Board approve the transaction.

The Board considered and evaluated the recommendation of the Special Committee, the Fairness Opinion, discussions with its external advisors, and the funds available to the Company to finance the Debenture Repurchase, among other factors, and determined that the Debenture Repurchase was in the best interest of DIRTТ. Aron English, the portfolio manager of 22NW, recused himself from all Board meetings, or portions thereof, as applicable, at which the Debenture Repurchase was considered and abstained from voting on the Debenture Repurchase.

"The Debenture Repurchase is an opportunity for DIRTТ to deleverage its balance sheet by repurchasing these Debentures at a discount of over 30% to the face value" said Benjamin Urban, DIRTТ's Chief Executive Officer.

Scott Robinson, Chair of the Board and the Special Committee remarked, "Value creation by way of strategic and efficient capital allocation decisions is an important part of our strategy. 22NW and WWT remain committed, long-term shareholders of DIRTТ and we continue to value their ongoing support and engagement."

In connection with its consideration of the Debenture Repurchase, the Special Committee considered and ultimately recommended to the Board that the Company consider a normal course issuer bid for the Debentures following the release of DIRTТ's second quarter financial results. The Board considered the recommendation and plans to commence a normal course issuer bid at such time. The proposed normal course issuer bid would allow DIRTТ to further deleverage its balance sheet. Further, while DIRTТ recently completed a substantial issuer bid open to all Debentureholders, the proposed normal course issuer bid would provide other Debentureholders an additional opportunity to sell their Debentures.

ABOUT DIRTТ

DIRТТ is a leader in industrialized construction. DIRTТ's system of physical products and digital tools empowers organizations, together with construction and design leaders, to build high-performing, adaptable, interior environments. Operating in the workplace, healthcare, education, and public sector markets, DIRTТ's system provides total design freedom, and greater certainty in cost, schedule, and outcomes. DIRTТ's interior construction solutions are designed to be highly flexible and adaptable, enabling organizations to easily reconfigure their spaces as their needs evolve. Headquartered in Calgary, AB Canada, DIRTТ trades on the Toronto Stock Exchange under the symbol "DRT".

IMPORTANT ADDITIONAL INFORMATION

DIRTТ intends to file a proxy statement and a proxy card with the U.S. Securities and Exchange Commission (the “**SEC**”) in connection with the SRP Meeting. **SHAREHOLDERS OF THE COMPANY ARE STRONGLY ENCOURAGED TO READ SUCH PROXY STATEMENT, ACCOMPANYING PROXY CARD AND ALL OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE SRP MEETING.** Shareholders will be able to obtain the definitive proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC at no charge on EDGAR at www.sec.gov.

PARTICIPANT INFORMATION

The Company, its directors and certain of its executive officers (as set forth below) are or may be deemed to be “participants” (as defined in Section 14(a) of the Securities Exchange Act of 1934, as amended) in the solicitation of proxies from the Company’s shareholders in connection with the matters to be considered at the SRP Meeting. Information about the compensation of our named executive officers and our non-employee directors is set forth in the sections entitled “Executive Compensation” and “Director Compensation” in the Company’s definitive proxy statement on Schedule 14A for the Company’s 2024 Annual Meeting of Shareholders, filed on March 28, 2024 (the “**2024 Proxy**”), commencing on pages 36 and 50, respectively, and available [here](#). Information regarding the participants’ holdings of the Company’s securities can be found in the section entitled “Security Ownership of Certain Beneficial Owners and Management” in the 2024 Proxy on pages 54–55 and available [here](#), and as reflected in the table below. If any filings are made by the Company with the SEC on Forms 3, 4 and 5 with respect to the participants’ holdings of the Company’s securities, the Company will update the table and such filings will be available through EDGAR at www.sec.gov. Updated information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the section entitled “Security Ownership of Certain Beneficial Owners and Management” of the Company’s proxy statement on Schedule 14A and other materials to be filed with the SEC.

Directors ⁽¹⁾

Name	Ownership	Date of Filing	Filing Type	Hyperlink
Scott Robinson (<i>Chair</i>)	273,269	03/28/2024	DEF 14A	HERE
Aron English ⁽²⁾	65,865,464	03/28/2024	DEF 14A	HERE
Shaun Noll ⁽³⁾	53,380,753	03/28/2024	DEF 14A	HERE
Shalima Pannikode	—	03/28/2024	DEF 14A	HERE
Scott Ryan	234,375	03/28/2024	DEF 14A	HERE
Douglas Edwards	156,250	03/28/2024	DEF 14A	HERE
Benjamin Urban	1,280,778	07/05/2024	Form 4	HERE

(1) *The business address for each of the “participants” set forth in the table above is c/o DIRT Environmental Solutions Ltd., 7303 30th Street S.E., Calgary, Alberta, Canada T2C 1N6.*

(2) *As reported on Schedule 13D/A filed with the SEC on January 23, 2024. 22NW, LP, as the investment manager of 22NW, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW, inclusive of 8,440,252 Common Shares that are currently issuable upon the conversion of certain of the Company’s Debentures held by 22NW. 22NW GP, Inc., as the general partner of 22NW, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW. 22NW Inc. (together with 22NW, 22NW GP, Inc. and 22NW, LP, the “**22NW Group**”), as the general partner of 22NW, LP, may be deemed to beneficially own the 58,395,297 Common Shares owned by 22NW. Aron English is the record owner of, and has the sole power to vote or direct the vote of, and the sole power to dispose or direct the disposition of, 7,470,167 Common Shares. On March 26, 2024, Mr. English filed with the SEC an amendment to his Form 4, available [here](#), which provided an update to include an additional 22,776 Common Shares directly owned by Mr. English, revising his ownership to 7,492,943 Common Shares. Aron English, as the Portfolio Manager of 22NW, Manager of 22NW GP and President and sole shareholder of 22NW Inc., may be deemed to beneficially own the 58,395,297 Common Shares owned directly by 22NW, which, together with the Common Shares he directly beneficially owns, constitutes an aggregate of 65,865,464 Common Shares. 22NW, LP’s*

aggregate holdings also includes 2,181 Common Shares held by Alexander Jones and 2,272 Common Shares held by Bryson Hirai-Hadley, each of whom are employees of 22NW Group. The address of 22NW is 590 1st Ave S., Unit C1, Seattle, WA 98104.

- (3) As reported on Schedule 13D/A filed with the SEC on January 18, 2024. WWT is the record owner of, and has the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, 53,301,893 Common Shares Shaun Noll is the record owner of, and has the sole power to vote or direct the vote of, and the sole power to dispose or direct the disposition of, 78,860 Common Shares. In addition, Shaun Noll, as the Managing Member of WWT, beneficially owns, and has the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, the 53,301,893 Common Shares beneficially owned by WWT. Together with the Common Shares that he directly owns, Shaun Noll may be deemed the beneficial owner of an aggregate of 53,380,753 Common Shares. The principal business address of WWT and Mr. Noll is 1440 Plymouth Ave, San Francisco, CA 94112.*

FOR FURTHER INFORMATION, PLEASE CONTACT

DIRTT Investor Relations at ir@dirtt.com

FORWARD-LOOKING STATEMENTS

Certain statements contained in this news release are “forward-looking statements” within the meaning of “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 and “forward-looking information” within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact included in this news release are forward-looking statements. When used in this news release, the words “anticipate,” “expect,” “intend,” “may,” “will,” “should,” “would,” “could,” “can,” the negatives thereof, variations thereon and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, and without limitation, this news release contains forward-looking information pertaining to the Debenture Repurchase and the terms, benefits, sources of funding, effects and timing thereof; the benefits of the Amended and Restated SRP for the Company and its shareholders; the ratification of the Amended and Restated SRP by the Company’s shareholders at the SRP Meeting and the timing thereof; certain rights and obligations of 22NW and WWT under the Support Agreement; the benefits of the Support Agreement; DIRTT’s intention to commence a normal course issuer bid and the timing and benefits thereof.

Forward-looking statements are based on certain estimates, beliefs, expectations, and assumptions made in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that may be appropriate. Forward-looking statements necessarily involve unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed or implied in such statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking information, you should not place undue reliance on forward-looking statements. Factors that could have a material adverse effect on our business, financial condition, results of operations and growth prospects include, but are not limited to, risks described under the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC and applicable securities commissions or similar regulatory authorities in Canada on February 21, 2024. Our past results of operations are not necessarily indicative of our future results. You should not rely on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. We undertake no obligation to update these forward-looking statements, even though circumstances may change in the future, except as required under applicable securities laws. We qualify all our forward-looking statements by these cautionary statements.