



CLEANTEK INDUSTRIES INC. ANNOUNCES APPROVAL OF OMNIBUS EQUITY INCENTIVE PLAN

Calgary, Alberta – September 26, 2022 – Cleantek Industries Inc. (TSXV: CTEK) ("**Cleantek**" or the "**Company**") (formerly Raise Production Inc. ("**Raise**")) is pleased to announce that shareholders have approved the Company's newly adopted share-based compensation plan (the "**Omnibus Plan**") at Cleantek's Annual and Special Meeting of Shareholders held on August 25, 2022. The Omnibus Plan will replace the Company's stock option plan (the "**Stock Option Plan**"). The Omnibus Plan will provide the Company with the flexibility to grant diverse equity awards as part of its objective to attract, retain and motivate highly qualified directors, officers, employees and consultants, all granted under one plan which will allow such awards to be subject to the same administration and overall limits.

The Omnibus Plan is a "rolling" share-based compensation plan pursuant to which up to an aggregate of 10% of the Common Shares outstanding may be reserved for issuance under it and any other security-based compensation plans of the Company, with a sublimit of 5% of the Common Shares outstanding being reserved for restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**"). Pursuant to the policies of the TSX Venture Exchange ("**TSXV**"), "rolling" share-based compensation plans must receive shareholder approval annually.

The Omnibus Plan will replace the existing Stock Option Plan and no further stock options ("**Options**") or other awards will be granted under the Stock Option Plan following Shareholder approval of the Omnibus Plan. Outstanding Options and other awards under the Stock Option Plan will continue to be governed by the Stock Option Plan. The Company currently has 1,927,500 Common Shares reserved for issuance pursuant to Options already granted and outstanding pursuant to the Stock Option Plan, representing an aggregate 7.1% of the Common Shares outstanding.

The Omnibus Plan was approved and adopted by the Board on July 5, 2022. The Omnibus Plan is subject to final acceptance by the TSXV. No RSUs, PSUs, DSUs or Options (collectively, "**Awards**") have been granted to-date under the Omnibus Plan. The Omnibus Plan is a long-term incentive plan that, once approved, permits the grant of Awards to directors, officers and employees of, and consultants to, the Corporation and its subsidiaries. The purpose of the plan is to promote share ownership of the eligible individuals to align the interests of such individuals with the interest of our Shareholders. The Omnibus Plan will replace the Stock Option Plan and no further grants of Options will be made under such plan. As a result, the Omnibus Plan streamlines the administration of long-term incentive grants to eligible individuals as all future grants will be made under the Omnibus Plan and therefore all future grants (whether Options, RSUs, DSUs, or PSUs) will be subject to the rules and restrictions of that plan.

SUMMARY OF THE KEY TERMS OF THE OMNIBUS PLAN

A summary of the key terms of the Omnibus Plan are detailed below. A full copy of the Omnibus Plan is available for viewing under the Company's profile on SEDAR at www.sedar.com.

Limitations under the Omnibus Plan

The aggregate number of Common Shares that may be reserved for issuance at any time under the Omnibus Plan, together with any Common Shares reserved for issuance under any other security-based compensation plans of the Company, shall be equal to 10% of outstanding Common Shares from time to time (on a non-diluted basis), provided that the aggregate maximum number of Common Shares reserved for issuance pursuant to the settlement of all DSUs, RSUs and PSUs shall not exceed 5% of the outstanding Common Shares from time to time (on a non-diluted basis). Any Common Shares underlying Options under the Omnibus Plan and the Stock Option Plan that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Omnibus Plan. Any Common Shares underlying DSUs, RSUs, PSUs under the Omnibus Plan that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Omnibus Plan. Accordingly, the Omnibus Plan is a "rolling plan" and as a



result, any and all increases in the number of outstanding Common Shares will result in an increase to the number of Awards available for grant under the plan.

In addition, any grant of Awards shall be subject to the following restrictions (subject to applicable Shareholder approval in accordance with the policies of the TSXV):

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards granted under any other security-based compensation plan of the Company, granted to any one person in any twelve (12) month period may not exceed 5% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant;
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Company, granted to insiders (as a group) may not exceed 10% of the outstanding Common Shares (on a non-diluted basis) at any point in time;
- (c) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Company, granted to insiders (as a group) in any twelve (12) month period shall not exceed 10% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant;
- (d) the aggregate number of Common Shares issuable pursuant to Awards, together with awards under any other security-based compensation plan of the Company, granted to any consultant in any twelve (12) month period shall not exceed 2% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant; and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Omnibus Plan and the aggregate number of Common Shares issuable pursuant to Options under the Omnibus Plan, together with Options under any other security-based compensation plan of the Company, granted to all such persons in any twelve (12) month period shall not exceed 2% of the outstanding Common Shares determined at the time of grant.

Except as permitted by the Board, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant by will or as required by applicable law, Awards are not assignable or transferable.

Description of Options issuable under the Omnibus Plan

All Options granted under the Omnibus Plan will have an exercise price fixed by the Board when the Option is granted. Such price shall not be less than the volume weighted average trading price per Common Share on the TSXV for the five (5) consecutive trading days (“**VWAP**”) ending on the last trading day preceding the date that the Option is granted and such exercise price shall be determined in accordance with the policies of the TSXV or other applicable stock exchange.

Exercise of Options

Participants may exercise vested Options by providing payment in full of the exercise price for the Common Shares which are the subject of the exercise. Provided that the Common Shares are listed on the TSXV or another exchange, and that the Company is in compliance with applicable stock exchange requirements, the Company may permit a participant to elect that the Company satisfy any obligations to the participant in respect of any vested Options exercised by the participant by issuing such number of Common Shares that is equal in value to the difference between: (a) the VWAP of the Common Shares prior to the date of exercise; and (b) the aggregate exercise price of the vested Options being exercised (the “**Net Share Exercise Right**”). The Net Share Exercise Right is not available to any Investor Relations Service Providers in accordance with the policies of the TSXV.

In addition, the Company may permit a broker-assisted cashless exercise whereby the participant elects to receive: (a) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the vested Options by a securities dealer designated by the Company, less the aggregate exercise price, any applicable withholding taxes, and any transfer costs charged by the securities dealer to sell the Common Shares; (b) an aggregate



number of Common Shares that is equal to the number of Common Shares underlying the vested Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (c) a combination of (a) and (b).

Description of RSUs, PSUs and DSUs issuable under the Omnibus Plan

An RSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement. The vesting period of RSUs will be determined by the Board at the time of grant. RSUs may not be granted to consultants or directors under the Omnibus Plan.

A PSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of grant. The vesting period and performance criteria for any PSUs granted will be determined by the Board at the time of the grant. PSUs may not be granted to consultants or directors under the Omnibus Plan.

DSUs are the only type of share unit issuable under the Omnibus Plan that may be issued to non-employee directors of the Company. A DSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement. The vesting period of DSUs will be determined by the Board at the time of grant.

Settlement of RSUs, PSUs and DSUs

Vested RSUs, PSUs and DSUs may be settled by a participant at any time prior to their expiry date by the Company issuing to the participant such number of Common Shares that is equal to the number of vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled. Notwithstanding, the Company may, in its discretion, permit applicable participants to elect to receive an amount in cash (net of applicable withholding taxes) equal to all or a portion of the vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled by the participant multiplied by the VWAP prior to the applicable settlement date.

Dividend Equivalents

A dividend equivalent is a right equivalent in value to an RSU, PSU or DSU credited to a participant who holds such Awards when dividends are declared by the Company and paid with respect to the outstanding Common Shares ("**Dividend Equivalents**"). The number of Dividend Equivalents to be credited to a participant is determined by multiplying the aggregate number of DSUs, RSUs or PSUs held by the participant on the relevant record date by the amount of the dividend paid by the Company on each Common Share, and dividing the result by the closing price of a Common Share on the TSXV on the trading day immediately preceding the dividend payment date, rounded down to the nearest whole unit.

A Dividend Equivalent will be subject to the same vesting and settlement conditions applicable to the related DSU, RSU or PSU and shall be payable on the settlement date of the related DSU, RSU or PSU in the same form as the related DSU, RSU or PSU being settled, provided that, in no event will the settlement of Dividend Equivalents cause the maximum number of Common Shares issuable under the Omnibus Plan's reserve or participation limits (as described above) to be exceeded.

Expiry

The expiry date of Awards granted pursuant to the Omnibus Plan is set by the Board, and must not be later than ten (10) years from the date of grant. The Omnibus Plan contains provisions that address expiring Awards during, or within two (2) business days after, a self-imposed blackout period on trading securities of the Company. In such a case, the expiry date will be deemed to be extended to the tenth (10th) business day following the end of the blackout period.



Cessation of Employment or Services

Termination without Cause or Voluntary Resignation

Unless otherwise determined by the Board, if a participant's employment or engagement with the Company or a subsidiary ceases as a result of a termination without cause or the participant's resignation (including a resignation from the Board), all unvested Awards held by the participant shall automatically terminate and the participant may, within ninety (90) days after the termination date (or such shorter period as is remaining in the term of the Awards), exercise or settle the participant's vested Awards. At the end of such 90-day period (or such shorter period as is remaining in the term of the Awards), any outstanding Awards shall automatically terminate.

Termination for Cause

Unless otherwise determined by the Board, if a participant's employment or engagement with the Company or a subsidiary ceases as a result of a termination for cause, all Awards held by the participant, whether vested or unvested, shall automatically terminate on the termination date.

Death or Disability

Unless otherwise determined by the Board, if a participant's employment or engagement with the Company or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrance of a disability, all unvested Options held by the participant shall automatically terminate and the participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Options), exercise the participant's vested Options. At the end of such 12-month period (or such shorter period as is remaining in the term of the Options), any outstanding Options shall automatically terminate.

Unless otherwise determined by the Board, if a participant's employment or engagement with the Company or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrance of a disability, a *pro rata* portion of the unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant will vest. The number of unvested RSUs and DSUs (and related Dividend Equivalents, if applicable) that will vest will be based on the number of days elapsed between the applicable date of grant and the termination date and the number of PSUs (and related Dividend Equivalents, if applicable) that will vest will be based on performance achieved up to the termination date as determined by the Board. All remaining unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Awards), elect to settle the participant's vested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable). At the end of such 12-month period (or such shorter period as is remaining in the term of the Awards), any outstanding RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

Termination of Consultants

Notwithstanding the foregoing, the following will apply in the event of a termination of a consultant's engagement with the Company or a subsidiary.

Unless otherwise determined by the Board, if a consultant's engagement with the Company or a subsidiary ceases as a result of a termination by the Company or a subsidiary for cause, all Options held by the consultant, whether vested or unvested, shall automatically terminate on the termination date. Unless otherwise determined by the Board, if a consultant's engagement with the Company or a subsidiary ceases for any reason other than for cause, all unvested Options held by the consultant shall automatically terminate on the termination date and the consultant may, within thirty (30) days after the consultant's termination date (or such shorter period as is remaining in the term of the Options),



exercise the consultant's vested Options. At the end of such 30-day period (or such shorter period as is remaining in the term of the Options), the unexercised Options shall automatically terminate.

Accelerated Vesting

Subject to the requirements of the policies of the TSXV (including Shareholder approval if applicable), the Board may permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards in connection with a cessation event described above.

Change of Control

Change of Control and Termination of Employment or Engagement

Subject to the terms and conditions of any award agreement, if there is a change of control of the Company and a participant who is an employee or a director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Company or a subsidiary without cause or ceases to be a director (for any reason other than for cause) and, in each case, his or her termination date is within twelve (12) months following the change of control, all unvested Options, RSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant on the participant's termination date shall immediately vest and the participant may, within six (6) months after the participant's termination date (or such shorter period as is remaining in the term of the Awards) exercise or settle the Awards. At the end of such 6-month period (or such shorter period as is remaining in the term of the Awards), the unexercised Awards shall automatically terminate.

Subject to the terms and conditions of any award agreement, if there is a change of control of the Company and a participant who is an employee (other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Company or a subsidiary without cause and his or her termination date is within twelve (12) months following the change of control, a certain number of PSUs (and related Dividend Equivalents, if applicable) will vest based on performance achieved up to the termination date as determined by the Board. All unvested PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant may, within six (6) months days after the participant's termination date (or such shorter period as is remaining in the term of the applicable PSU), elect to settle the participant's vested PSUs (and related Dividend Equivalents, if applicable). At the end of such 6-month period (or such shorter period as is remaining in the term of the Awards), any outstanding PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

Discretion to Board

Subject to the policies of the TSXV, in the event of an actual or potential change of control of the Company, the Board may, in its discretion: (a) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (c) and (d) below), the vesting date of any Awards; (b) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (c) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting participants to exercise or settle any Awards to assist the participants to participate in the actual or potential change of control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (d) terminate, following the successful completion of a change of control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such change of control, provided that, any accelerated vesting in respect of any PSUs (and related Dividend Equivalents, if applicable) will be based on performance achieved up to the change of control as determined by the Board.

In the event that any Awards are conditionally exercised or settled and the change of control does not occur, the Board, may determine that any (a) Awards so exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (b) Common Shares issued be cancelled, any cash payments made to the participants be returned to the Company, and any exercise price or similar price received by the Company shall be returned to the participant.

Amendment

The Board may, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards as it determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the plan or any Awards may materially impair any outstanding rights of a participant without the consent of the participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws or the policies of the TSXV.

Notwithstanding the foregoing and subject to any policies of the TSXV and/or any applicable regulatory authority, shareholder approval (including approval of the disinterested shareholders if required by the policies of the TSXV) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Common Shares reserved for issuance under the plan, except pursuant to the provisions in the plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the participation limits set forth in the plan (including to insiders);
- (c) reducing the exercise price of an Option (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of reissuing an Option with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), except pursuant to the provisions in the plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) amending an Award that results in a benefit to an insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the exercise price of an option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the exercise price of Options;
- (f) extending the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increasing or removing the limits on the participation of non-employee directors;
- (i) amending the amendment provisions of the plan;
- (j) amending the termination or early termination provisions of the plan or any Award;
- (k) changing the eligible participants of the plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the policies of the TSXV).

Without limiting the generality of the foregoing, the Board may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan or award agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment necessary to suspend or terminate the plan;
- (c) making any amendments to add covenants of the Company for the protection of participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants, as the case may be;
- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or



- (f) making such amendments of a “housekeeping” or administrative nature and such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

About Cleantek

Cleantek is a clean energy technology company focused on ESG accretive technology solutions with operations across North America. Cleantek has developed and commercialized its patented wastewater dehydration technology, the ZeroE, which it rents to its customers for use at gas processing facilities and on drilling rigs focused on hydro-sustainability. Cleantek's ZeroE technology separates wastewater into (i) clean water which is evaporated and returned to the natural hydrological cycle and (ii) concentrated brine which is disposed of using traditional means. The ZeroE technology is powered by the waste heat generated from the engine exhaust of gas plants and drilling rigs. Complimenting Cleantek's ZeroE technology is the suit of low carbon LED lighting systems containing our patented Solar Hybrid lighting systems and HALO Crown mounted lighting systems.

Matt Gowanlock, President & Chief Executive Officer

E-mail: mgowanlock@cleantekinc.com

Orson Ross, Chief Financial Officer

E-mail: oross@cleantekinc.com



Cleantek Industries Inc.

Tel: 403-567-8700

www.cleantekinc.com

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