



**PIVOTREE INC.**

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

To the shareholders of Pivotree Inc. (the "**Corporation**").

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the "Meeting") of the shareholders of the Corporation will be held on June 28, 2022 at 1:00 p.m. (Toronto time) at 250 Yonge St., Suite 1602, Toronto, ON M5B 2L7 for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the fiscal year ended December 31, 2021, together with the auditor's report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and authorize the directors to fix the remuneration of the auditor;
4. to consider and, if deemed appropriate, approve with or without amendment, an ordinary resolution approving the omnibus equity incentive plan of the Corporation, as more fully described in the information circular in respect of the Meeting (the "**Information Circular**"); and
5. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

Only shareholders of record of the common shares in the capital of the Corporation (the "**Common Shares**") at the close of business on May 19, 2022 are entitled to notice of and to attend the Meeting or any adjournments thereof and to vote thereat.

Registered shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to TSX Trust Company ("**TSX Trust**") at 100 Adelaide West, Suite 301, Toronto, Ontario, M5H 4H1, or via the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com), by no later than 1:00 P.M. (Toronto time) on June 24, 2022 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting.

Beneficial shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof.



## NOTICE-AND-ACCESS

The Corporation has decided to use the notice-and-access provisions under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators to deliver the Meeting materials. Accordingly, this notice and the accompanying Information Circular, and the audited annual financial statements of the Corporation for the financial year ended December 31, 2021 and auditor's report thereon (the "**Annual Financial Statements**") and related management discussion and analysis (the "**Annual MD&A**"), have been posted on our website at <https://docs.tsxtrust.com/2247> and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any shareholder who wishes to receive a paper copy of the Information Circular should contact TSX Trust Company toll free at 1-866-600-5869 or email [TMXEinvestorservices@tmx.com](mailto:TMXEinvestorservices@tmx.com). **In order to ensure that a paper copy of the Information Circular can be delivered to a requesting shareholder in time for such shareholder to review the Information Circular and return a voting instruction form or proxy prior to the deadline, requests must be received by no later than 1:00 p.m. on June 14, 2022.**

DATED as of the 19<sup>th</sup> day of May, 2022.

*"William Di Nardo"*

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William Di Nardo  
Chief Executive Officer  
Pivotree Inc.



**Pivotree Inc.**

**Management Information Circular**

**May 19, 2022**

## MANAGEMENT INFORMATION CIRCULAR

### VOTING AND PROXIES

#### Solicitation of Proxies

**This management information circular (the "Information Circular") is furnished in connection with the solicitation by the management of Pivotree Inc. (the "Corporation" or "Pivotree") of proxies to be used at the annual general and special meeting of shareholders of the Corporation (the "Meeting") to be held on June 28, 2022 at the time and place and for the purposes set forth in the notice of availability of proxy materials for the Meeting (the "Notice of Meeting") or any adjournment thereof.**

Unless otherwise noted or the context otherwise indicates, references to the "Corporation" and "Pivotree" refer to Pivotree Inc. Unless otherwise indicated, all dollar amounts in this Information Circular are given as of May 19, 2022. All dollar amounts in this Information Circular refer to Canadian dollars, unless otherwise indicated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefor. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The Corporation will assume the costs of solicitation, which are expected to be minimal.

#### Notice-and-Access

The Corporation has elected to use the "notice-and-access" process under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* ("NI 54-101") and National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, for distribution of this Information Circular and other meeting materials to registered shareholders and non-registered shareholders as set out in the "Advice to Beneficial Holders" section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including information circulars, annual financial statements and management's discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to shareholders. The Corporation anticipates that utilizing the notice-and-access process will reduce both postage and printing costs.

The Corporation has posted the Information Circular, the Corporation's audited financial statements for the year ended December 31, 2021 and the auditor's report thereon (the "**Annual Financial Statements**") and the related management's discussion and analysis (the "**Annual MD&A**") prior to the Meeting on the Corporation's SEDAR profile at <http://www.sedar.com> and <https://docs.tsxtrust.com/2247>.

Although the Information Circular, the Annual Financial Statements and the Annual MD&A (collectively, the "**Meeting Materials**") are posted electronically online, as noted above, the registered and non-registered shareholders (subject to the provisions set out above under the heading "Advice to Beneficial Holders") (collectively, the "**Notice-and-Access Shareholders**") will receive a "notice package" (the "**Notice-and-Access Notification**") by prepaid mail, which includes the information prescribed by NI 54-101 and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. **Shareholders are reminded to carefully review the Information Circular before voting.**

Notice-and-Access Shareholders will not receive a paper copy of the Meeting Materials unless they contact TSX Trust Company ("**TSX Trust**") in which case TSX Trust will mail the requested materials within three business days of any request provided the request is made prior to the Meeting. Notice-and-Access Shareholders with questions about notice-and-access may contact TSX Trust toll free at 1-866-600-5869 or email [TMXEinvestorservices@tmx.com](mailto:TMXEinvestorservices@tmx.com). **Requests for paper copies of the Meeting Materials must be received at least eight business days in advance of the proxy deposit date and time set out above, being 1:00 p.m. (Toronto time) on June 14, 2022, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.**

### **Appointment and Revocation of Proxies**

The persons named as proxyholders in the enclosed form of proxy are directors and/or officers of the Corporation.

**A shareholder submitting a form of proxy has the right to appoint a person other than the persons indicated in such proxy form to act as his or her proxyholder. To do so, the shareholder must write the name of such person in the appropriate space on the form of proxy.**

To be effective, all forms of proxy must be deposited with TSX Trust by no later than 1:00 P.M. (Toronto time) on June 24, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting. A person acting as proxyholder need not be a shareholder of the Corporation.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the shares will be voted in favour of all matters identified in the enclosed Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy may revoke it at all times by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a proxyholder duly authorized, given to TSX Trust, no later than 1:00 P.M. (Toronto time) on June 24, 2022, or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned meeting at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Please note that shareholders who receive their Notice-and-Access Notification from TSX Trust or an intermediary must return the proxy forms, once voted, to TSX Trust or their intermediary, as applicable, for the proxy to be dealt with.

## Advice to Beneficial Holders

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein as "**beneficial shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of "CDS & Co." (the registration name for CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to an intermediary, such as Broadridge Financial Solutions, Inc. ("**Broadridge**"). The intermediaries typically mail a scannable voting instruction form in lieu of the form of proxy. The beneficial shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, an intermediary like Broadridge provides a toll-free telephone number to vote the shares held by the beneficial shareholder or the ability to vote via the internet at [www.proxyvote.com](http://www.proxyvote.com). The intermediaries then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of shares to be represented at the Meeting. A beneficial shareholder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or agent of the broker), a beneficial shareholder may attend at the Meeting as proxyholder for a registered shareholder and vote the shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for a registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

The Corporation has decided to use Notice-and-Access in accordance with the requirements of NI 54-101 to deliver the Meeting Materials to shareholders by posting the Meeting Materials at <https://docs.tsxtrust.com/2247>. The Meeting Materials will be available on the Corporation's website on or before May 28, 2021, and will remain on the website for a full year thereafter. The Meeting Materials

will also be available on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation will only be mailing the Notice-and-Access Notification to beneficial holders as set out below.

There are two kinds of beneficial shareholders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents, pursuant to NI 54-101 and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs.

If you are a NOBO and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request of voting instructions.

The Corporation's decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a voting instruction form from TSX Trust. These voting instruction forms are to be completed and returned to TSX Trust in the envelope provided or by facsimile or via the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com). TSX Trust will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form.

**Requests for paper copies of the Meeting Materials must be received at least eight business days in advance of the proxy deposit date and time set out above, being 1:00 p.m. (Toronto time) on June 14, 2022, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.**

OBOs may expect to receive their materials related to the Meeting from Broadridge or other intermediaries. If a reporting issuer does not intend to pay for an intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their intermediary assumes the cost of delivery. The Corporation does not intend to pay for intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and-Access Notification to beneficial holders unless a beneficial holder has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Notice-and-Access Notification to beneficial holders. Generally, beneficial holders who have not waived the right to receive Notice-and-Access Notification will either:

- a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the beneficial holder but which is not otherwise completed. Because the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the beneficial holder when submitting the proxy. In this case, the beneficial holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the intermediary and which, when properly completed and signed by the beneficial holder and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. Typically, the

beneficial holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a voting instruction form, the beneficial holder must remove the label from the instructions and affix it to the voting instruction form, properly complete and sign the voting instruction form and submit it to the intermediary or its service company in accordance with the instructions of the intermediary or its service company.

In any case, the purpose of this procedure is to permit beneficial holders including NOBOs to direct the voting of the Common Shares they beneficially own. Should a beneficial holder who receives a form of proxy or voting instruction form wish to vote at the Meeting in person, the beneficial holder should strike out the persons named in such form of proxy and insert the beneficial holder's name in the blank space provided. **Beneficial holders should carefully follow the instructions on the voting instruction form or the instructions received from their intermediary including those regarding when and where the form of proxy or voting instruction form is to be delivered.**

**All references to "shareholders" in this Information Circular and the accompanying form of proxy, Notice of Meeting and Notice-and-Access Notification are to registered shareholders unless specifically stated otherwise.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies is not subject to the requirements of Section 14(a) of the *U.S. Securities Exchange Act of 1934* (the "**Exchange Act**") by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation's Common Shares by the shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of the Common Shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Corporation's shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by the shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Corporation are located outside the United States.

#### **Participating at the Meeting**

The Meeting will begin at 1:00 p.m. (Toronto time) on June 28, 2022. Shareholders and duly appointed proxyholders can attend the Meeting in person at 250 Yonge St., Suite 1602, Toronto, ON M5B 2L7.

### **Voting of Proxies**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the instructions given on the ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. If no choice is specified in the proxy, the person designated in the accompanying form of proxy will vote in favour of all other matters proposed by management at the Meeting, as more particularly described in this Information Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Information Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Any matter that is submitted to a vote of shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Information Circular, by simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon.

### **Voting Shares and Principal Shareholders Thereof**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As at May 19, 2022, the Corporation had 26,417,410 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the Corporation. The Corporation's board of directors (the "**Board**") has fixed a record date of May 19, 2022 (the "**Record Date**") to determine shareholders entitled to receive the Notice of Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares as of the Record Date are entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, each person or Corporation that beneficially owns, controls or directs voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation is indicated in the table below:

<b>Name of security holder</b>	<b>Approximate number of securities beneficially owned, controlled or directed</b>	<b>Percentage of the class of outstanding voting securities</b>
Burgundy Asset Management Ltd.	3,288,114	12.45%

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **ITEM ONE: ELECTION OF DIRECTORS**

Management of the Corporation proposes the seven persons named in the table on the following page as candidates for election as directors. Each elected director will remain in office until the next annual meeting of the shareholders or until his or her successor is elected or appointed, unless his or her post is vacated earlier. The candidates proposed by the management of the Corporation have, as applicable, been directors of the Corporation since the dates indicated below. Mr. Richard Powers has advised the Board he will not be standing for re-election to the Board at the Meeting.

**Unless instructions are given to abstain from voting with regard to the election of directors, the persons whose names appear on the enclosed form of proxy will vote in favour of the election of each of the seven nominees whose names are set out in the table on the following page.**

Management of the Corporation does not foresee that any of the following nominees listed below will be unable or, for any reason, unwilling to perform his or her duties as a director. In the event that the foregoing occurs for any reason, prior to the election, the persons indicated on the enclosed form of proxy reserve the right to vote for another candidate of their choice unless otherwise instructed by the shareholder in the form of proxy to abstain from voting on the election of directors.

**In order for the resolutions to be passed, approval by at least a majority of the Common Shares voted in respect thereof at the Meeting, whether present in person or by proxy, is required.**

The enclosed form of proxy allows the holders of Common Shares to direct proxyholders to vote individually for each of the nominees named below as a director of the Corporation. At any meeting where shareholders vote on the election of directors, any individual nominee who receives a greater number of votes "withheld" than votes "for" will be required by the Corporation to tender his or her resignation to the Board promptly following the meeting. The resignation will be effective when accepted by the Board. The Board expects that resignations will be accepted, unless extenuating circumstances warrant a contrary decision. The Corporation will announce the Board's decision (including the reason for not accepting any resignation) by news release within 90 days following the date of the Meeting. Any director who tenders his or her resignation in this situation will not participate in any meeting of the Board where his or her resignation is considered. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table and notes set out the names of the individuals proposed by management for election as directors of the Corporation, their place of residence, whether or not the nominee is an independent member of the Board, their principal occupation, the date they first became a director of the Corporation, their other public company board memberships, and the number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them as at May 19, 2022. Each of the proposed nominees currently sit on the Board, and in accordance with the mandate of the Board (the "**Board Mandate**"), their current terms will expire on the date of the Meeting.

<b>Ashlee Aldridge<sup>(4)</sup></b> Westerville, Ohio, USA Director Since: June 30, 2021 Independent	<b>Principal Occupation (past 5 years)</b>	
	Chief Executive Officer of Reach Partners LLC.	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)</sup>	Total Amount at Risk <sup>(3)</sup>
	0	\$0
<b>Brian Beattie<sup>(4)</sup></b>		
Toronto, Ontario,		<b>Principal Occupation (past 5 years)</b>
		Chief Financial Officer of Volaris Group (Constellation Software Inc.).

Canada  Director Since: June 30, 2021  Independent	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)(6)</sup>	Total Amount at Risk <sup>(3)</sup>
	124,948	\$462,308

Scott Bryan <sup>(4)</sup>  Toronto, Ontario, Canada  Director Since: November 15, 2007  Not Independent	<b>Principal Occupation (past 5 years)</b>	
	Managing Director of Eventi Capital Partners Inc. (" <b>Eventi Capital</b> ").	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)(7)</sup>	Total Amount at Risk <sup>(3)</sup>
	1,878,527	\$6,950,550

William Di Nardo  Toronto, Ontario, Canada  Director Since: November 15, 2007  Not Independent	<b>Principal Occupation (past 5 years)</b>	
	Chief Executive Officer of the Corporation.	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)(8)</sup>	Total Amount at Risk <sup>(3)</sup>
	1,879,530	\$6,954,261

Vernon Lobo <sup>(5)</sup>  Toronto, Ontario, Canada  Director Since: June 29, 2015  Independent	<b>Principal Occupation (past 5 years)</b>	
	Managing Director of Mosaic Capital Partners LP (" <b>Mosaic Capital</b> ").	
	<b>Current Public Board Membership</b>	
	AirIQ Inc. (TSXV:IQ). EQ Inc. (TSXV:EQ). TECSYS Inc. (TSX:TCS). Flow Capital Corp. (TSXV:FW). MiniLuxe Holding Corp. (TSXV:MNLX)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)(9)</sup>	Total Amount at Risk <sup>(3)</sup>
	1,391,289	\$5,147,769

William Morris <sup>(5)</sup>  Toronto, Ontario, Canada  Director Since: June 30, 2021  Independent	<b>Principal Occupation (past 5 years)</b>	
	Former President of Accenture Inc. (" <b>Accenture</b> ").	
	<b>Current Public Board Membership</b>	
	NexJ Systems Inc. (TSX:NXJ).	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)</sup>	Total Amount at Risk <sup>(3)</sup>
	13,400	\$49,580

<b>Brian O'Neil</b> <sup>(6)</sup> Toronto, Ontario, Canada	<b>Principal Occupation (past 5 years)</b>	
	Managing Partner of A Faire Aujourd'hui Inc. ("AFAI").	
Director Since: June 29, 2015	<b>Current Public Board Membership</b>	
	None.	
Independent	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(2)(10)</sup>	Total Amount at Risk <sup>(3)</sup>
	1,803,321	\$6,672,288

NOTES:

- (1) Common Shares beneficially owned or controlled as at May 19, 2022.
- (2) The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- (3) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by the closing price of the Corporation's Common Shares on the TSX Venture Exchange (the "Exchange" or the "TSXV") per Common Share on May 19, 2022, being \$3.70.
- (4) Current member of the Corporation's audit committee (the "Audit Committee").
- (5) Current member of the Corporation's corporate governance and compensation committee (the "Corporate Governance and Compensation Committee").
- (6) Mr. Beattie holds 47,059 Common Shares jointly with Mr. Beattie's spouse. Mr. Beattie's spouse holds 77,889 Common Shares directly.
- (7) Mr. Bryan holds 1,304,016 Common Shares directly. Mr. Bryan's spouse holds 182,829 Common Shares directly. Through 1527396 Ontario Inc. dba SBD Inc. ("SBD"), Mr. Bryan beneficially owns, or controls or directs 391,682 Common Shares held by SBD.
- (8) Mr. Di Nardo holds 871,608 Common Shares directly. Mr. Di Nardo's spouse holds 616,240 Common Shares directly. Through SBD, Mr. Di Nardo beneficially owns, or controls or directs 391,682 Common Shares held by SBD.
- (9) Mr. Lobo holds 124,555 Common Shares directly, 59,579 Common Shares indirectly through Kilimanjaro Capital Inc. ("Kilimanjaro"), 1,088,455 Common Shares indirectly through Mosaic Capital and 118,700 Common Shares indirectly through The 2018 Vernon Lobo Family Trust ("Lobo Trust"). Mr. Lobo beneficially owns, or controls or directs the Common Shares held by Kilimanjaro, Mosaic Capital and Lobo Trust. In addition, Mr. Lobo is the managing director of Mosaic Capital.
- (10) Mr. O'Neil holds 82,250 Common Shares directly and 1,721,071 Common Shares indirectly through AFAI. Mr. O'Neil beneficially owns, or controls or directs the Common Shares held by AFAI.

There are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

As at May 19, 2022 the proposed directors of the Corporation as a group (seven persons) owned beneficially or exercised control or direction over 7,091,015 Common Shares, or approximately 26.8% of the outstanding Common Shares.

The following are brief biographies of each of the proposed director nominees:

**Ashlee Aldridge** (Director). Ms. Aldridge is the Founder, Managing Partner and Chief Executive Officer of Reach Partners LLC, a management consulting firm specializing in strategy and transformation of large-scale enterprises across North America. Prior to her role as Chief Executive Officer, Ms. Aldridge served as a Chief Information Officer/Chief Operating Officer for more than 20 years, leading business and technology teams through large scale transformations at publicly held retail companies such as: DSW Inc. (NYSE:DBI), Restoration Hardware Inc. (NYSE:RH), Golfsmith International Holdings Inc. (NASDAQ:GOLF), Zale Corporation (NYSE:ZLC), and West Marine Inc. (NASDAQ:WMAR). Ms. Aldridge started her career at Deloitte LLP. Today, she works directly with boards of directors across the United States and Canada, and their management teams, to develop sound business strategies and the supporting enterprise transformations necessary to drive growth, capture market share, and modernize their business, operations and technology capabilities required to deliver accelerated results. Ms. Aldridge brings an extensive network across major North American retailers, considerable operating and digital transformation expertise, as well as the voice of the customer.

**Brian Beattie** (Director). Mr. Beattie has over 20 years of experience working in the technology and

software sectors with both early stage and mature companies. For the past 15 plus years Mr. Beattie has been the Chief Financial Officer of the Volaris Group, an operating group of Constellation Software Inc. (TSX:CSU). In this role, he has managed and supported the capital allocation strategy which has led to the completion of over 100 acquisitions. In addition to M&A, Mr. Beattie has also been responsible for legal, tax, and all corporate aspects related to governance in a growing, global, public company environment. Mr. Beattie works with companies both inside and outside the Volaris Group providing strategic and operational guidance. Mr. Beattie began his career with KPMG LLP and is a designated Chartered Public Accountant. Mr. Beattie also holds an HBA in Economics and Finance from the University of Toronto.

**Scott Bryan** (Director). Mr. Bryan is co-founder and Managing Partner of Eventi Capital, a Toronto based early stage venture and private equity investment firm. Mr. Bryan has over 20 years of experience identifying and managing investment opportunities. Mr. Bryan has helped lead numerous successful portfolio exits, including ThinData Inc., Visualase, Inc. and Ceryx Inc., consistently delivering double-digit internal rate of returns. Mr. Bryan sits on a number of private company boards, including Kinetic Commerce Inc., Base Pair Biotechnologies Inc., Environics Analytics Group Ltd., National Polling Trends Ltd. and Pivotree. Mr. Bryan began his career in technology and venture investing as a co-founder and early investor in Grocery Gateway where he structured numerous venture capital financings, raising in aggregate more than \$130 million from angels, strategic partners, venture capitals and institutional investors. Mr. Bryan started his legal career at Miller Thomson LLP, a Toronto law firm, focusing on corporate and commercial and technology matters. Mr. Bryan brings considerable experience in deal structuring, human resource management and corporate governance, with a background in private practice and extensive in-house experience.

**William Di Nardo** (Director and Chief Executive Officer). A Canadian e-commerce pioneer, Mr. Di Nardo is the Chief Executive Officer of Pivotree. Mr. Di Nardo originally invested in Pivotree in 2007 through Eventi Capital and was an active board member helping to shape strategy. Mr. Di Nardo took over as Chief Executive Officer of Pivotree in 2015 and led the integration of the Corporation, ThinkWrap and Spark::Red Inc. (formerly Spark::Red LLC). As Chief Executive Officer of the Corporation, he helped accelerate the Corporation's evolution and growth as a highly skilled and specialized provider of managed information technology services to some of North America's largest retailers and branded manufacturers. Mr. Di Nardo has extensive experience building high-performance teams and driving rapid revenue growth companies. Mr. Di Nardo is the founder and former Chief Executive Officer of Grocery Gateway, an early leader in the Canadian e-commerce space. Mr. Di Nardo co-founded Eventi Capital in 2002 as a vehicle to invest in software as a service and web infrastructure services companies where he and his partners have consistently provided double-digit internal rate of returns over the past 15 years. Mr. Di Nardo currently sits on the board of directors of the Toronto Inner-city Rugby Foundation, the community development not-for-profit that he helped co-found in 2010. Mr. Di Nardo is a graduate of the Richard Ivey School of Business and was named Ernst & Young's Young Entrepreneur of the Year in 2000.

**Vernon Lobo** (Director and Chair of the Board). Mr. Lobo is a founder and Managing Director of Mosaic Capital, a private investment fund. Through 27 years in the investment industry, Mr. Lobo has built several companies from start-up to acquisition or public listing, eight of which achieved valuations in excess of \$100 million. Earlier in his career, Mr. Lobo was a consultant with McKinsey & Company and a software engineer at Nortel Networks. Mr. Lobo holds a Bachelor of Science in Engineering from the University of Waterloo and a Master of Business Administration from Harvard Business School, where he was a Baker Scholar.

**William Morris** (Director). Mr. Morris served as Accenture's Canada President for 12 years during which he grew revenues in excess of 400 percent. He served on Accenture's global and North American leadership teams from 2002 to 2019. He retired from the company in 2019. At Accenture he also led their North American Resources Operating Unit, which encompassed all of the company's services for energy, mining, chemicals and utilities clients. He also created a managed services business for the utilities industry that he grew into a \$300 million stand-alone business unit. As a leader at Accenture, he created joint ventures and

acquired a number of technology services companies. Under his leadership Accenture's 5000-person Canadian business was named a Top Employer in Canada for seven consecutive years. In 2017 he received the Women's Executive Network Vanguard Leadership Award in Inclusion and Diversity. Mr. Morris holds the ICD.D designation and a Bachelor of Commerce (Honours) from Queen's University. He serves on the Board of NexJ Systems Inc. and advises technology companies and climate change solution providers on their growth strategies.

**Brian O'Neil (Director).** Mr. O'Neil, CFA, is the Managing Partner of AFAI, a Toronto-based family office. Mr. O'Neil directly manages a private equity portfolio and advises on a larger pool of diversified investment assets. Mr. O'Neil has over 20 years of work experience, including more than 10 years of board of director service. Mr. O'Neil sits as a director on the boards of: Business Development Bank of Canada; Fowler Construction Company Limited; Huys Industries Ltd.; Montrose Property Holdings Ltd. / Ecowaste Industries Ltd.; and Pivotree. Mr. O'Neil is also a member of the advisory boards of Blue Ant Media and Eventi Capital. Prior to investment management, Mr. O'Neil was a consultant at a global human resources firm and a senior advisor to a Minister in the Government of Canada. Mr. O'Neil holds the Chartered Financial Analyst designation from the Chartered Financial Analyst Institute; the ICD.D designation from the Institute of Corporate Directors, a Master's degree in Finance and a Bachelor's degree in Economics.

To the knowledge of the Corporation and based upon information provided to it by the nominees, within 10 years before the date of this Information Circular, no such nominee was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing paragraph, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that in each case was in effect for a period of more than 30 consecutive days.

Other than as described below, to the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee is or within 10 years prior to the date of this Information Circular was, a director or executive officer of any company (including the Corporation) that, while the nominee was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

William Di Nardo was an independent director of Shop.ca Network Inc. ("**Shop.ca**") between September, 2015 and June, 2016. Mr. Di Nardo joined Shop.ca as an independent director when it was in the process of pursuing a financing. On June 7, 2016, Shop.ca filed for bankruptcy as it had not secured necessary capital injections. Mr. Di Nardo resigned from the board of directors of Shop.ca as it was transitioned into creditor protection and ultimately sold.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no such

nominee within 10 years prior to the date of this Information Circular has made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such nominee's assets.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no director or executive officer of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether or not to vote for the nominee to the Board or when making an investment decision.

To the knowledge of the Corporation and based upon information provided to it by the nominees, none of the nominees are to be elected under any arrangement or understanding between the nominee and any other person or company.

#### Director Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Director Resolution**"):

**"BE IT RESOLVED THAT** the election of Ashlee Aldridge, Brian Beattie, Scott Bryan, William Di Nardo, Vernon Lobo, William Morris, and Brian O'Neil to hold office until the next annual meeting of the shareholders of the Corporation, or until their successors are elected or appointed, is hereby approved."

**In order to be passed, the Director Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE DIRECTOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Director Resolution**

#### ITEM TWO: APPOINTMENT OF AUDITORS

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting of shareholders. The Board, upon the recommendation of the Audit Committee, proposes that BDO Canada LLP be appointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. BDO Canada LLP has acted as auditor of the Corporation since 2015.

#### Auditor Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Auditor Resolution**"):

**"BE IT RESOLVED THAT:**

1. the appointment of BDO Canada LLP as auditor of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation is hereby approved; and
2. the board of directors of the Corporation (the "**Board**") is hereby authorized to fix the remuneration of the auditor so appointed."

**In order to be passed, the Auditor Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE AUDITOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Auditor Resolution.**

**ITEM THREE: APPROVAL OF OMNIBUS EQUITY INCENTIVE OPTION PLAN**

The Corporation maintains an omnibus equity incentive option plan (the "**Incentive Plan**") in accordance with Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the Exchange. The Incentive Plan was originally approved by the Board on October 21, 2020 and was subsequently approved and ratified by the shareholders of the Corporation. Subject to obtaining shareholder approval at the Meeting and the approval of the TSXV, the Board has approved certain amendments to the Incentive Plan. At the Meeting shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below approving the Incentive Plan, including the amendments thereto, in substantially the form attached hereto as Schedule "A" to this Circular.

A summary of the Incentive Plan, including a description of the amendments thereto, is set out below. This summary is qualified in its entirety by the full text of the Incentive Plan.

Purpose

The purposes of the Incentive Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants (as defined in the Incentive Plan) with that of other shareholders of the Corporation generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Common Shares as long-term investments.

Administration of the Incentive Plan

The Incentive Plan is administered by the Board or, from time to time, a committee thereof, and provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include options ("**Options**"), restricted share units ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**").

Maximum Number of Shares Available for Awards

The number of Common Shares reserved for issuance pursuant to Options granted under the Incentive Plan will not, in the aggregate, exceed 10% of the then outstanding Common Shares. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Incentive Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Incentive Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the TSXV is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV). No awards other than Options may be issued to any consultants or persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Corporation (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Corporation (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

### Eligibility

Awards under the Incentive Plan will be granted only to bona fide employees, officers, non-employee directors and consultants of the Corporation. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Incentive Plan will be determined in the discretion of the Board.

### Types of Awards

The following is a summary of the various types of Awards issuable under the Incentive Plan.

#### *Options*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Incentive Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Incentive Plan), all Options, whether vested or not as at the Termination Date (as defined in the Incentive Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Incentive Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Incentive Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Incentive Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Incentive Plan and be exercisable for a period of 90 days after the Termination Date.

Unless otherwise specified in an Award agreement, and subject to any provisions of the Plan or the applicable Award agreement relating to acceleration of vesting of Options, Options shall vest over a four-year period, with 10% of the Options vesting on the first anniversary of the date that the Options were granted, 20% of the Options vesting on the second anniversary of the date that the Options were granted, 30% of the Options vesting on the third anniversary of the date that the Options were granted, and the remaining 40% of the Options vesting on the fourth anniversary of the date that the Options were granted.

The exercise price of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the TSXV less any discount permitted by the rules or policies of the TSXV at the time the Option is granted.

#### *Restricted Share Units*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Incentive Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Incentive Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Incentive Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that one third of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

#### *Share Appreciation Rights*

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each SAR. Subject to a limited extension if a SAR expires during a Black Out Period, SARs will not be exercisable later than the tenth anniversary date of its grant.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

#### *Deferred Share Units*

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

#### *Performance Share Units*

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

#### *Termination and Change of Control Provisions*

On a Change of Control (as defined below and in the Incentive Plan) of the Corporation, the Board shall have discretion as to the treatment of outstanding Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards (provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

The Incentive Plan defines a "Change of Control" as the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation as a result of which the holders of Common Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Common Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

#### Amendments to Incentive Plan

Subject to obtaining shareholder approval at the Meeting and the approval of the TSXV, the Board has approved the following amendments to the Incentive Plan:

1. allowing Participants (with the exception of Investor Relations Service Providers) to elect to undertake a "cashless exercise" of the Options granted to them, pursuant to which the Common Shares otherwise deliverable upon the exercise of the Option may be sold for an amount equal to the exercise price of the Option; and
2. allowing Participants (with the exception of Investor Relations Service Providers) to elect to undertake a "net exercise" procedure of their then-vested and exercisable Options, whereby the Participant shall be entitled to receive such number of Common Shares (rounded down to the nearest whole number) obtained pursuant to formula set out in the Incentive Plan; and
3. ancillary amendments and definitional changes required to accommodate the amendments set out above.

#### Incentive Plan Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Incentive Plan Resolution**"):

#### **"BE IT RESOLVED THAT:**

1. the omnibus equity incentive option plan of the Corporation (the "**Incentive Plan**") approved by the Board on May 19, 2022, substantially in the form attached to the management information circular of the Corporation dated May 19, 2022, is hereby approved;
2. the Corporation is hereby authorized to issue options under the Incentive Plan to acquire up to 10% of the issued and outstanding common shares in the capital of the Corporation (the "**Common Shares**") and, in addition, a maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs (as such terms are defined in the Incentive Plan) issued under the Incentive Plan which shall not exceed a fixed number determined in accordance with the policies of the TSX Venture Exchange (the "**TSXV**");

3. the Board is hereby authorized to make any changes to the Incentive Plan as may be required by the TSXV; and
4. any one director or officer of the Corporation is hereby authorized, for and on behalf, of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**In order to be passed, the Incentive Plan Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE INCENTIVE PLAN RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Incentive Plan Resolution.**

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **General**

The disclosure set out below includes disclosure required by National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") describing the Corporation's approach to corporate governance.

### **Board of Directors**

#### ***Composition of the Board***

Under the articles of the Corporation (the "**Articles**"), the Board is to consist of a minimum of one and a maximum of 10 directors as determined from time to time by the Corporation's Board. The directors are appointed at an annual general meeting of shareholders and the term of office for each of the directors will expire at the time of the Corporation's next annual shareholders meeting. The by-laws of the Corporation (the "**By-Laws**") provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors so appointed, but the number of additional directors so appointed may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors. Under the *Business Corporations Act* (Ontario) (the "**OBCA**"), a director may be removed with or without cause by a resolution passed by a majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote.

#### ***Nomination of Directors***

The Corporate Governance and Compensation Committee is responsible for recommending to the Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee is unconstrained with respect to its recommendations for any available director positions not subject to the nomination rights of shareholders. It is expected that the Corporate Governance and Compensation Committee will consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Corporate Governance and Compensation

Committee is expected to also consider the amount of time and resources that nominees have available to fulfill their duties as a member of the Board.

The Chair of the Corporate Governance and Compensation Committee, Brian O'Neil, is an independent director, and he leads any nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the charter of the Corporate Governance and Compensation Committee.

#### *Majority Voting Policy*

The Board has adopted a majority voting policy whereby proxy forms for shareholders' meetings at which directors are to be elected will enable the shareholder to vote for, or to withhold from voting for, each individual nominee. If, with respect to any particular nominee for election to the Board, the number of votes withheld exceeds the number of votes for the nominee, then, for the purpose of the majority voting policy, the nominee will be considered not to have received the confidence and support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered for the purpose of this policy not to have received the confidence and support of the shareholders is required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board. The Board will consider the tendered resignation and disclose by news release its decision whether or not to accept that resignation and the reasons for its decision no later than 90 days after the date of the relevant shareholders' meeting. The Board will accept the tendered resignation, absent circumstances. In considering whether or not to accept the tendered resignation, the Board will consider all factors that it deems in its discretion to be relevant, including, without limitation, any stated reasons why shareholders withheld votes for election of such director, the length of service and qualifications of the director whose resignation has been tendered, the director's contribution to the Corporation and the Corporation's corporate governance policies.

#### *Independence of the Board of Directors*

The Board is currently comprised of eight directors, three of whom are independent within the meaning of NI 58-101. If the Directors Resolution is passed, the Board will be comprised of seven directors, five of whom will be independent within the meaning of NI 58-101. Mr. Di Nardo and Mr. Bryan are not independent by reason of the fact that Mr. Di Nardo is the Chief Executive Officer of the Corporation and Mr. Bryan is in a "material relationship" with the Corporation (as that term is defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**")) by virtue of certain fees indirectly received by him from the Corporation in 2018 and 2019 in connection with acquisition and related advisory services provided by Eventi Capital to Pivotree as set out below. For additional information regarding the directors of the Corporation, see "Election of Directors".

Eventi Capital and its affiliates, which are entities controlled by William Di Nardo and Scott Bryan, provided acquisition and related advisory services to Pivotree in 2018 and 2019 in connection with strategic transactions and acquisitions undertaken by Pivotree, and in connection with such services Pivotree paid advisory fees in the amount of \$145,685 in the financial year ended December 31, 2018 and \$88,300 in the financial year ended December 31, 2019 to Eventi Capital and its affiliates.

Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. The Board determines annually whether each member of the Board is independent in accordance with applicable securities legislation by ascertaining, among other things, whether they were engaged as an executive officer or employee of Pivotree, they have any immediate family member engaged as an executive officer or employee of Pivotree, they received remuneration from Pivotree other than remuneration for acting as a director or a member of any committee of the Board, or they or an immediate family member benefitted from a business relationship with Pivotree that could reasonably be perceived to interfere with their independent judgement.

### ***Directorships***

Certain members of the Board are also members of the board of directors of other public companies. See "Election of Directors". The Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

### ***Meetings of Independent Directors***

The Board holds regularly-scheduled quarterly meetings as well as *ad hoc* meetings from time to time. In the course of meetings of the Board or of committees of the Board, the independent directors holds meetings, or portions of such meetings, at which neither non-independent directors nor officers of Pivotree are in attendance.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a meeting of a committee of the Board, that director or officer shall not be present at the time the Board or committee deliberates such transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for in the OBCA.

### ***Chair of the Board***

Vernon Lobo is the Chair of the Board. In such role, he is principally responsible for overseeing the operations and affairs of the Board.

### ***Mandate of the Board***

The Board Mandate describes, *inter alia*, the Board's role and overall responsibility to supervise the management of the business and affairs of Pivotree. The Board, directly and through its committees and the Chair of the Board, provides direction to the executive officers of Pivotree, generally through the Chief Executive Officer.

The Board has overall responsibility for the Corporation's strategic planning, risk management, human resource management, corporate governance, and communications with Pivotree's shareholders and the market. The Board's responsibility is to supervise and oversee management of the Corporation in accordance with the highest standards of ethical conduct and to act with a view to the best interests of the Corporation and its shareholders. In the discharge of this responsibility, the Board oversees and reviews, directly or through its various committees, the Corporation's results of operations and business initiatives, and identifies and oversees the management of principal business risks affecting the Corporation. The Board is also responsible for reviewing its size and the compensation paid to its members to ensure that the Board can fulfill its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

The full text of the Board Mandate is reproduced in its entirety in Schedule "C" attached hereto.

### **Committees of the Board**

In addition to the Audit Committee, which is required by Canadian securities law for all reporting issuers, the Board has established the Corporate Governance and Compensation Committee. See "Nomination of Directors".

### **Position Descriptions**

The Board has developed and implemented written descriptions for the Chair of the Board and the Chair of each committee of the Board. The committee chairs are expected to supervise the activities of their

respective committees and to ensure that such committees are taking all steps necessary to fulfill their respective mandates. In addition, the Board, in conjunction with the Chief Executive Officer, has developed and implemented a written position description for the role of the Chief Executive Officer who is primarily responsible for the overall management of the business and affairs of the Corporation, including establishing the strategic and operational priorities of the Corporation and providing leadership for the effective overall management of the Corporation.

### **Orientation and Continuing Education**

The Corporate Governance and Compensation Committee reviews, monitors, and makes recommendations with respect to director orientation. All newly elected directors are provided with an orientation as to the nature and operation of the business and affairs of the Corporation and as to the role of the Board and its committees. Each new director meets with the Chair of the Corporation's Board, individual directors and members of the senior management team to discuss the Corporation's business and activities. Orientation is designed to assist the directors in fully understanding the nature and operation of the Corporation's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Corporation expects them to devote to the execution of their functions.

In addition, the Corporate Governance and Compensation Committee reviews, monitors, and makes recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Corporation's directors and to ensure that their knowledge and understanding of the Corporation's business remains current. The Board encourages directors to take relevant training programs offered by different regulatory bodies and educational service providers and industry associations, and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation's business.

### **Code of Ethics**

The Board has adopted a written Code of Ethics applicable to all of the Corporation's directors, officers and employees. The Code of Ethics sets out the Corporation's core values and standards of behavior that are expected from the Corporation's personnel with respect to all aspects of the Corporation's business. The objective of the Code of Ethics is to set out Pivotree's mission and values, and provide guidelines for maintaining the Corporation's integrity, reputation and honesty with a goal of honouring others' trust in us at all times. The Code of Ethics sets out guidance with respect to conduct in dealing with conflicts of interest, protection of the Corporation's assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. The Corporation's Board will have ultimate responsibility for the stewardship of the Code of Ethics and it will monitor compliance through the Corporation's Corporate Governance and Compensation Committee.

A director, in the exercise of his or her functions and responsibilities, must act with complete honesty and good faith in the best interests of the Corporation. They must also act in accordance with the applicable laws, regulations and policies. In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest they have in any important contract or proposed contract of the Corporation, as soon as they have knowledge of the agreement or of the Corporation's intention to consider or enter into the proposed contract. In such circumstances, the director in question shall abstain from voting on the subject.

### **Interests of Directors**

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he

or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the OBCA regarding conflicts of interest.

### **Compensation**

The Corporate Governance and Compensation Committee oversees and recommends for approval by the Board executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically considers and recommends annually or as required for approval by the independent directors of the Board of all forms of compensation for the Chair and Chief Executive Officer, and for approval by the Board of all forms of compensation for the other executive officers of Pivotree. Further particulars of the process by which compensation for Pivotree's executive officers is determined, is provided under the heading "Statement of Executive Compensation" in this Information Circular. The Chair of the Corporate Governance and Compensation Committee is an independent director and leads the compensation review process in accordance with the charter of the Corporate Governance and Compensation Committee.

### **Assessments**

It is the responsibility of the Board and the Corporate Governance and Compensation Committee to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board takes into account (i) in the case of the Board, the Board Mandate and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The Corporate Governance and Compensation Committee assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing Pivotree, the competencies, skills and qualities required of directors. As part of its mandate, the Corporate Governance and Compensation Committee develops long-term plans for the composition of the Board, as well as ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

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

The Board has not adopted director term limits, a retirement policy for its directors or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Corporate Governance and Compensation Committee will seek to maintain the composition of the Board in a way that provides, in the judgment of the Board, a robust mix of skills and experience to provide for the Corporation's overall stewardship.

The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account, among other things, any applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. See "Assessments".

### **Diversity and Inclusion**

The Corporation believes that having a diverse Board and executive team offers a depth of perspective that enhances Board and management operations and performance. The Corporation similarly believes that having a diverse and inclusive organization overall is beneficial to our success, and we are committed to diversity and inclusion at all levels of our organization to ensure that the Corporation attracts, retains, and promotes the brightest and most talented individuals.

The Board does not intend to specifically define diversity, but the Corporate Governance and Compensation Committee values diversity of experience, perspective, education, background, race, gender and national origin as part of its overall evaluation of director nominees for election or re-election and the Board and Corporate Governance and Compensation Committee will value the same as part of their respective evaluation of candidates for executive positions. This will be achieved through ensuring that diversity considerations are taken into account to fill vacancies, continuously monitoring the level of women, visible minorities, Aboriginal persons and persons with disabilities represented on our Board and in the Corporation's executive team, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that our most talented employees are promoted from within our organization. The Corporation does not currently have a written diversity policy in place.

The Board and the Corporate Governance and Compensation Committee consider merit as the key requirement for Board and executive appointments that the Board is permitted to make, and as such, it is not expected to adopt a target regarding women, Aboriginal persons, visible minorities and persons with disabilities in executive officer positions or as directors of the Corporation.

### **Directors' and Officers' Liability Insurance**

The Corporation and its subsidiaries' directors and officers are covered under the Corporation's existing directors' and officers' liability insurance. Under this insurance coverage, the Corporation and its subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the Corporation and its subsidiaries' directors and officers, subject to a deductible for each loss, which will be paid by us. The Corporation and its subsidiaries' individual directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the Corporation and its subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

### **Audit Committee**

The Audit Committee's primary responsibility is to assist the Board in discharging its oversight responsibilities with respect to financial matters and compliance with laws and regulations. The Audit Committee's specific responsibilities with respect to its oversight of financial matters include, among other things: to select, evaluate, monitor the independence of, and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation; to review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof; where the Audit Committee may deem it appropriate, to recommend to the Board that the auditor be terminated; to meet with senior management without the auditor present to discuss the performance of the auditor; to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the auditor; to review and approve the audit plan; to review with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them to the Board, and review with senior management and the auditor the relevant management's discussion and analysis relating thereto; to review other financial reporting and disclosures, including earnings press releases and other press releases disclosing financial information and all other financial statements of the Corporation that require approval by the Board before they are released to the public; to oversee the integrity of the Corporation's financial reporting processes and disclosures, including its internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements, and to report regularly to the Board on such matters; to oversee the Corporation's risk management function; to review with senior management the status of taxation matters; and to review and oversee the Corporation's investment strategies and policies.

### ***Audit Committee Charter***

The Board has adopted a written charter describing the mandate of the Audit Committee that establishes, *inter alia*, the committee's purpose and responsibilities. Within the purview of its mandate, the Audit Committee is responsible for overseeing the accounting and financial reporting practices of Pivotree and audits of Pivotree's financial statements. The Audit Committee's responsibilities also include the selection, recommendation and oversight of Pivotree's independent auditor, as well as the oversight of its internal audit process and system of internal controls over financial reporting and disclosure. The full text of the charter of the Audit Committee is reproduced in its entirety in Schedule "B" attached hereto.

### ***Composition of the Audit Committee***

The Audit Committee is comprised of Brian Beattie (Chair), Ashlee Aldridge and Scott Bryan. Mr. Beattie and Ms. Aldridge are considered independent within the meaning of NI 52-110, but Mr. Bryan is not independent. Each member of the Audit Committee has an understanding of the accounting principles used to prepare the Corporation's financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "Election of Directors".

All three members of the Audit Committee have been senior officers and/or directors of publicly traded companies or have been business executives, in each case with the responsibility of performing financial functions, for a number of years. In these positions, each such director has been responsible for receiving financial information relating to the entities of which they were directors, officers or executives. They have, or have developed, an understanding of financial statements generally and of how statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

Further, each member has the requisite education and experience that has provided the member with:

- an understanding of the accounting principles used by the Corporation to prepare the Corporation's financial statements;
- the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### ***Audit Committee Oversight***

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### ***Pre-Approval Procedures for Non-Audit Services***

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to Pivotree by its independent auditor. The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Audit Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public

Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. At least annually, the Audit Committee reviews and confirms the independence of the independent auditor by obtaining statements from the independent auditor describing all relationships with Pivotree, including with respect to any non-audit services. Before the appointment of the auditor for any non-audit service, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

### ***External Auditor Service Fees***

For the financial years ended December 31, 2021 and 2020, the Corporation incurred the following fees by its external auditor:

	2021	2020
Audit	160,380	135,000
Assurance/Related Services	14,310	184,700
Tax Compliance/Advice/Planning	0	135,781
Other	0	35,000
	<u>174,690</u>	<u>490,481</u>

### ***Exemption***

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

### **Corporate Governance and Compensation Committee**

The members of the Corporate Governance and Compensation Committee are Brian O'Neil, Vernon Lobo and William Morris. All of the members of the Corporate Governance and Compensation Committee are independent.

The Corporate Governance and Compensation Committee's principal responsibilities include:

- developing and recommending to the Board criteria for selecting board and committee members;
- establishing procedures for identifying and evaluating director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become board members;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;
- reviewing and making recommendations to the Board regarding the appointment and succession of the Corporation's directors and officers;
- developing and recommending to the Board a code of business conduct and ethics and a set of corporate governance guidelines;
- acting in an advisory capacity to the Board;
- reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of those

corporate goals and objectives and determining (or making recommendations to the Board with respect to) the compensation level of the Chief Executive Officer based on this evaluation;

- making recommendations to the Board with respect to compensation, incentive- compensation plans and equity-based plans of the officers, other than the Chief Executive Officer, and directors;
- reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and producing a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement;
- overseeing the evaluation of the Board, its committees and management; and
- conducting an annual performance evaluation of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee regularly reviews the current profile of the Board, including the representation of various areas of expertise, experience and diversity, to ensure that the Board has a sufficient range of skills, expertise and experience to enable it to carry out its duties and responsibilities effectively.

## STATEMENT OF EXECUTIVE COMPENSATION

### Introduction

This section has been prepared in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

The following section describes the significant elements of Pivotree's executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer, the Chief Financial Officer and the Corporation's most highly compensated executive officer other than the Chief Executive Officer or Chief Financial Officer whose total compensation was more than \$150,000 in the previously completed financial year (collectively, the "NEOs"). The NEOs are:

- William Di Nardo, Chief Executive Officer and Director;
- Moataz Ashoor, Chief Financial Officer, Administrative Officer and Corporate Secretary; and
- Ted Smith, Chief Operating Officer.

### Overview

Pivotree operates in a dynamic and rapidly evolving market. To succeed and achieve the Corporation's business and financial objectives, the Corporation needs to attract, retain and motivate a highly talented team of executive officers. The Corporation expects its team to possess and demonstrate strong leadership and management capabilities, as well as to foster the Corporation's culture, which is the foundation of the Corporation's success and remains a pivotal part of the Corporation's everyday operations.

The Corporation's executive officer compensation program is designed to achieve the following objectives:

- provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are relevant to the Corporation's industry and critical to the Corporation's success;
- motivate the Corporation's executive officers to achieve the Corporation's strategic business and financial objectives;
- align the interests of the Corporation's executive officers with those of the Corporation's shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of the Corporation's business; and
- provide incentives that encourage appropriate levels of risk-taking by the Corporation's executive officers and provide a strong pay-for-performance relationship.

The Corporation continues to evaluate the Corporation's philosophy and compensation program as circumstances require and continues to review compensation on an annual basis. As part of this review process, the Corporation is be guided by the philosophy and objectives outlined above, as well as other factors that may become relevant, such as the cost to the Corporation to find a replacement for a key employee.

## **Compensation Discussion and Analysis**

### ***Compensation Objectives and Philosophy***

The Corporation's compensation practices are designed to retain, motivate and reward the Corporation's executive officers for their performance and contribution to the Corporation's short-term and long-term success. The Board seeks to compensate executive officers by combining short-term cash and long-term equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with the Corporation's performance. The Corporation's philosophy is to pay fair, reasonable and competitive compensation with a significant equity-based component in order to align the interest of the Corporation's executive officers with those of its shareholders.

### ***Compensation Governance***

#### ***Hedging Prohibition***

The Corporation's disclosure and insider trading policy provides that all directors, officers and employees of Pivotree, and their respective associates (including immediate family members who reside in the same home as that person), are prohibited from: (i) selling "short" any of the Corporation's securities; (ii) purchasing or selling puts, calls or other derivative securities, on an exchange or in any other organized market; (iii) engaging in hedging or monetization transactions that allow an individual to continue to own the covered securities, but without the full risks and rewards of ownership; or (iv) purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or common shares of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to such person as compensation or held directly or indirectly by such person.

#### ***Equity Ownership Policy***

The Corporation has established equity ownership guidelines for the directors and executive officers of the Corporation to further align the interests of directors and executive officers with those of its shareholders. The ownership guidelines establish minimum equity ownership levels for each director and executive officer over a specified period. These levels are determined by the Corporate Governance and

Compensation Committee. Each director and executive officer will be required to continue to hold such minimum ownership levels while serving as a director or executive officer of the Corporation. Awards granted under the Omnibus Plan will be included in determining an individual's equity ownership value.

#### *Compensation-Setting Process*

The Corporate Governance and Compensation Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the Corporation's human resources, succession planning and compensation policies, processes and practices. The Corporate Governance and Compensation Committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with the Corporation's risk profile. The charter for the Corporate Governance and Compensation Committee sets out its responsibilities for administering the Corporation's compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Corporation's directors and executive officers. The Corporate Governance and Compensation Committee's oversight includes setting objectives, evaluating performance and ensuring that total compensation paid to the Corporation's NEOs and various other key executive officers and key managers is fair, reasonable and consistent with the objectives of the Corporation's philosophy and compensation program. See also "Statement of Corporate Governance Practices – Committees of the Board".

Each member of the Corporate Governance and Compensation Committee has direct experience relevant to compensation matters resulting from their respective current and past backgrounds and/or roles. The members of the Corporate Governance and Compensation Committee have experience dealing with compensation matters in large and small organizations, including public companies.

#### *Executive Compensation-Related Fees*

On September 10, 2020, the Corporation retained Willis Towers Watson, an independent consulting firm, to provide us services in connection with compensation matters in advance of the initial public offering of the Corporation completed on October 30, 2020, including, among other things, to:

- develop a compensation peer group of public companies with similar attributes to the Corporation for the purposes of benchmarking competitive pay for the Corporation's Chief Executive Officer; and
- benchmark competitive pay levels to determine market pay levels, using both the compensation peer group, which included Alithya Group Inc., EXFO Inc., Tecsys Inc., Quarterhill Inc., Photon Control Inc., Optiva Inc., Pivot Technology Solutions, Inc., Vecima Networks Inc. and AgJunction Inc., and survey data for similarly-sized, publicly-traded IT companies.

The Corporate Governance and Compensation Committee considered the information provided by Willis Towers Watson and the recommendations it made in connection with the above. However, the decisions made regarding final compensation and incentive plan design were made by, and are the responsibility of, the Board on recommendation of the Corporate Governance and Compensation Committee.

The Corporation incurred \$35,268 in aggregate fees for services rendered by Willis Towers Watson in the financial year ended December 31, 2020.

The Corporation may engage Willis Towers Watson to evaluate the Corporation's compensation program against market practice for the other executive officers and directors of the Corporation.

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

The compensation of the Corporation's executive officers includes three major elements: (i) base salary, (ii) short-term incentives, consisting of annual bonuses, or (iii) long-term equity incentives, consisting of awards under the Corporation's Omnibus Plan.

#### ***Base Salaries***

Base salary is provided as a fixed source of compensation for the Corporation's executive officers. Base salaries for executive officers are established based on the scope of their responsibilities, competencies and their prior relevant experience, taking into account compensation paid in the market for similar positions and the market demand for such executive officers. An executive officer's base salary is determined by taking into consideration the executive officer's total compensation package and the Corporation's overall compensation philosophy.

Adjustments to base salaries will be determined annually and may be increased based on factors such as the executive officer's success in meeting or exceeding individual objectives and an assessment of the competitiveness of the then current compensation. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities, as well as to maintain market competitiveness.

#### ***Short-Term Incentive Compensation***

The Corporation's NEOs and other executive officers are entitled to annual bonuses, depending on employee function. Annual bonuses are designed to motivate the Corporation's executive officers to meet the Corporation's business and financial objectives generally and the Corporation's annual financial performance targets in particular.

#### ***Long-Term Incentive Compensation***

Equity-based awards are a variable element of compensation that allows us to incentivize and retain the Corporation's executive officers for their sustained contributions to the Corporation. Additionally, providing a significant portion of an executive's total compensation in the form of long-term equity is intended to ensure alignment with shareholder interests. The Corporation believes that Options, RSUs and PSUs provide executive officers with a strong link to long-term corporate performance and an increase in shareholder value. In connection with the grants of equity-based awards, the Corporate Governance and Compensation Committee determines the grant size and terms to be recommended to the Board. As part of their ongoing review of the Corporation's compensation practices, the Corporate Governance and Compensation Committee and the Board will determine the precise go-forward structure of long-term incentive compensation both in terms of quantum and instrument mix.

### **Summary Compensation Table**

The summary compensation table sets out the total compensation paid to each director and NEO of the Corporation in the year ending December 31, 2021.

Compensation excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$) <sup>(1)</sup>	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(6)</sup>	Total compensation (\$)
<b>William Di Nardo</b>							
Chief Executive Officer and Director <sup>(2)(4)</sup>	2021	360,000	N/A	N/A	N/A	N/A	360,000
<b>Moataz Ashoor</b>							
Chief Financial Officer, Chief Administrative Officer and Corporate Secretary	2021	260,000	20,000	N/A	N/A	5,200	285,200
<b>Ted Smith</b>							
Chief Operating Officer	2021	339,200	25,600	N/A	N/A	12,480	377,280 <sup>(3)</sup>
<b>Vernon Lobo</b>							
Director <sup>(4)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Brian O'Neil</b>							
Director <sup>(4)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Scott Bryan</b>							
Director <sup>(4)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Richard Powers</b>							
Director <sup>(4)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Stephen Byrne</b>							
Director <sup>(4)(5)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ashlee Aldridge</b>							
Director	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Brian Beattie</b>							
Director	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>William Morris</b>							
Director	2021	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

- (1) All bonus numbers are specific to December 31, 2021 accrued amounts paid in 2022 and do not include bonuses accrued in the fiscal year ended December 31, 2020 and paid in 2021.
- (2) Inclusive of the total compensation, Mr. Di Nardo received no compensation for his role as director of the Corporation.
- (3) Represents total compensation of US\$294,750 converted into Canadian dollars using an exchange rate of 1USD – 1.28CAD being the daily rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars on May 19, 2022.
- (4) Directors will not receive any cash remuneration for acting as a director of the Corporation.
- (5) Stephen Byrne was a director of the Corporation, who resigned from the Board effective June 30, 2021.
- (6) Represents 401k and RRSP employer match.

## Compensation Securities

The following compensation securities table sets out the compensation securities granted or issued to each director and NEO of the Corporation in the financial year ended December 31, 2021.

Compensation Securities							
Name and Principal Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class <sup>(1)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
<b>William Di Nardo</b>							
Chief Executive Officer and Director	RSU <sup>(2)</sup>	4,765 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	June 30, 2024
	PSU <sup>(4)</sup>	9,529 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	March 31, 2024
	Options	6,391 (0.0% of class)	July 1, 2021	\$3.85	\$5.90	\$4.38	June 30, 2025
<b>Moataz Ashoor</b>							
Chief Financial Officer, Chief Administrative Officer and Corporate Secretary	RSU <sup>(2)</sup>	2,676 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	June 30, 2024
	PSU <sup>(4)</sup>	5,353 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	March 31, 2024
	Options	3,590 (0.0% of class)	July 1, 2021	\$3.85	\$5.90	\$4.38	June 30, 2025
<b>Ted Smith</b>							
Chief Operating Officer	RSU <sup>(2)</sup>	3,355 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	June 30, 2024

Compensation Securities

Name and Principal Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class <sup>(1)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
	PSU <sup>(4)</sup>	6,709 (0.0% of class)	July 1, 2021	N/A	\$5.90	\$4.38	March 31, 2024
	Options	4,500 (0.0% of class)	July 1, 2021	\$3.85	\$5.90	\$4.38	June 30, 2025
<b>Vernon Lobo</b> Director	DSU <sup>(3)</sup>	2,292 (0.0% of class)	January 13, 2021	N/A	\$11.75	\$4.38	N/A
	DSU <sup>(3)</sup>	3,161 (0.0% of class)	March 31, 2021	N/A	\$8.30	\$4.38	N/A
	DSU <sup>(3)</sup>	3,235 (0.0% of class)	June 30, 2021	N/A	\$5.90	\$4.38	N/A
	DSU <sup>(3)</sup>	6,111 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Brian O'Neil</b> Director	DSU <sup>(3)</sup>	1,146 (0.0% of class)	January 13, 2021	N/A	\$11.75	\$4.38	N/A
	DSU <sup>(3)</sup>	1,580 (0.0% of class)	March 31, 2021	N/A	\$8.30	\$4.38	N/A
	DSU <sup>(3)</sup>	1,618 (0.0% of class)	June 30, 2021	N/A	\$5.90	\$4.38	N/A
	DSU <sup>(3)</sup>	3,055 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Scott Bryan</b> Director	DSU <sup>(3)</sup>	1,146 (0.0% of class)	January 13, 2021	N/A	\$11.75	\$4.38	N/A
	DSU <sup>(3)</sup>	1,580 (0.0% of class)	March 31, 2021	N/A	\$8.30	\$4.38	N/A

Compensation Securities

Name and Principal Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class <sup>(1)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
	DSU <sup>(3)</sup>	1,618 (0.0% of class)	June 30, 2021	N/A	\$5.90	\$4.38	N/A
	DSU <sup>(3)</sup>	3,055 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Richard Powers</b> Director	DSU <sup>(3)</sup>	1,146 (0.0% of class)	January 13, 2021	N/A	\$11.75	\$4.38	N/A
	DSU <sup>(3)</sup>	1,580 (0.0% of class)	March 31, 2021	N/A	\$8.30	\$4.38	N/A
	DSU <sup>(3)</sup>	1,618 (0.0% of class)	June 30, 2021	N/A	\$5.90	\$4.38	N/A
	DSU <sup>(3)</sup>	2,222 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Ashlee Aldridge</b> Director	DSU <sup>(3)</sup>	2,222 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Brian Beattie</b> Director	DSU <sup>(3)</sup>	3,055 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>William Morris</b> Director	DSU <sup>(3)</sup>	2,222 (0.0% of class)	November 1, 2021	N/A	\$4.50	\$4.38	N/A
<b>Stephen Byrne</b> <sup>(3)</sup> Director	DSU <sup>(3)</sup>	883 (0.0% of class)	January 13, 2021	N/A	\$11.75	\$4.38	N/A
	DSU <sup>(3)</sup>	1,149 (0.0% of class)	March 31, 2021	N/A	\$8.30	\$4.38	N/A
	DSU <sup>(3)</sup>	1,176 (0.0% of class)	June 30, 2021	N/A	\$5.90	\$4.38	N/A

NOTES:



Exercise of Compensation Securities

Name and Principal Position	Type of Compensation Security	Number of Underlying Securities Exercised	Date of Exercise	Exercise Price per Security (\$)	Closing Price of Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
<b>Brian Beattie</b> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>William Morris</b> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Stephen Byrne<sup>(1)</sup></b> Director	DSU	1,176	June 30, 2021	N/A	N/A	N/A	N/A
	DSU	1,149	October 8, 2021	N/A	N/A	N/A	N/A

(1) Stephen Byrne was a director of the Corporation, who resigned from the Board effective June 30, 2021.

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

In connection with the Offering, the Corporation entered into new written employment agreements with certain of its executive officers. Under such agreements, the executive officers are entitled to receive compensation established by us, as well as other benefits.

Under their employment agreements, William Di Nardo, Moataz Ashoor and Ted Smith are each also entitled to certain contractual benefits in connection with a termination of their employment in certain circumstances.

If Mr. Di Nardo is terminated without cause, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, the Corporation will provide Mr. Di Nardo with a total of six (6) months pay in lieu of notice.

If Mr. Ashoor is terminated without cause, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, the Corporation will provide Mr. Ashoor with four (4) months pay in lieu of notice if terminated before September 9, 2022. The notice period will increase to a total of six (6) months pay in lieu of notice in the event notice of termination is provided after September 9, 2022. Furthermore, if Mr. Ashoor's employment is terminated at any time following a "change of control" of the Corporation, for reasons other than cause, the Corporation will provide Mr. Ashoor with a total of six (6) months notice or pay in lieu of notice.

If Mr. Smith is terminated without cause, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, the Corporation will provide Mr. Smith with two (2) months pay in lieu of notice if terminated during the first year of employment. Pay in lieu of notice will increase by one (1) month's salary for every year of employment up to a maximum of six (6) months after the first year of employment.

The table below shows the estimated incremental payments that would be made to the following NEOs upon the occurrence of certain events:

Name and Principal Position	Event	Severance (\$) <sup>(1)</sup>	Acceleration of Unvested Options (\$) <sup>(2)</sup>	Total (\$)
<b>William Di Nardo</b>				
<i>Director and Chief Executive Officer</i>	Termination without cause	187,500	N/A	187,500
<b>Moataz Ashoor</b>				
<i>Chief Financial Officer, Administrative Officer and Corporate Secretary</i>	Termination without cause	90,000	N/A	90,000
	Termination without cause following a change of control	135,000	N/A	135,000
<b>Ted Smith</b>				
<i>Chief Operating Officer</i>	Termination without cause	86,496 <sup>(3)</sup>	N/A	86,496

NOTES:

- (1) Severance payments are calculated based on the base salary and annual incentive compensation the Corporation would expect to pay to the NEO and is exclusive of any short-term incentive that would have been earned in a year where they were not terminated, as applicable, occurring in 2021.
- (2) No options will accelerate as a result of the termination of the NEO.
- (3) In the case of Mr. Smith, severance payment represents a severance payment of US\$67,575 converted into Canadian dollars using an exchange rate of 1USD = 1.28CAD, being the daily rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars on May 19, 2022.

The termination benefits described above are subject to applicable laws.

### STATEMENT OF DIRECTOR COMPENSATION

The Corporation's directors' compensation program is designed to attract and retain the most qualified individuals to serve on the Board. The Board, through the Corporate Governance and Compensation Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on the Board, each director that is not an employee will be paid an annual equity retainer, and will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as a director; however, no portion of a director's compensation will be tied to attendance at Board or committee meetings.

It is expected that each director will receive an annual equity grant of RSUs or DSUs in the amount of \$40,000, each of the Audit Committee Chair and the Corporate Governance and Compensation Committee Chair will receive an additional annual equity grant of RSUs or DSUs in the amount of \$15,000, and the Chair of the Board will receive an annual equity grant of RSUs or DSUs in the amount of \$70,000. Directors who are also officers of the Corporation will not receive additional compensation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following chart details the number of Common Shares to be issued upon the exercise of outstanding securities issued under the Corporation's Omnibus Plan, the weighted average exercise price of such securities and the number of Common Shares remaining available for issuance under the Omnibus Plan of the Corporation as at December 31, 2021.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted – average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	1,754,432 Common Shares <sup>(1)</sup>	\$1.71 <sup>(2)</sup>	2,825,885 Common Shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	1,754,432 Common Shares	\$1.71	2,825,885 Common Shares

### NOTES:

- (1) Total of 1,754,432 Common Shares issuable upon (i) exercise of 1,538,822 Common Share purchase options, (ii) vesting of 111,135 restricted share units, (iii) vesting of 60,883 deferred share units, and (iv) vesting of 43,592 performance share units.
- (2) Represents the weighted average exercise price of all outstanding Common Share purchase options, whether vested or unvested.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former directors, employees or executive officers of the Corporation or any associate of any such persons were indebted to the Corporation as at May 19, 2022.

None of the current or former directors, employees or executive officers of the Corporation and none of the associates of such persons is or has been indebted to the Corporation or any subsidiary thereof at any time since the beginning of the Corporation's most recently completed fiscal year. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof.

## MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by its directors and executive officers. The Corporation does not have management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Corporation.

## AUDITOR

The Corporation's auditor is BDO Canada LLP, 60 Columbia Way, Suite 300, Markham, Ontario, L3R 0C9. BDO Canada LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct in the Province of Ontario.

## AUDITED FINANCIAL STATEMENTS

The Annual Financial Statements will be submitted to the Meeting. Receipt at the Meeting of the Annual Financial Statements will not constitute approval or disapproval of any matters referred to therein.

## **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar for the Common Shares is TSX Trust Company (Canada) at its principal office in Toronto, Ontario.

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

Management of the Corporation is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

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

No informed person of the Corporation or any associate or affiliate of the foregoing has or has had any material interest in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction which has materially affected or will materially affect the Corporation.

## **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management of the Corporation knows of no matters to come before the Meeting other than as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

## **ADDITIONAL FINANCIAL INFORMATION**

Additional financial information concerning the Corporation, including the Corporation's Annual Financial Statements and Annual MD&A, can be found on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPROVAL OF BOARD**

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

DATED as of the 19<sup>th</sup> day of May, 2022.

*"William Di Nardo"*

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William Di Nardo  
Chief Executive Officer  
Pivotree Inc.

## SCHEDULE "A"

### PIVOTREE INC.

## AMENDED AND RESTATED OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

### ARTICLE 1

#### ESTABLISHMENT, PURPOSE AND DURATION

**1.1 Establishment of the Plan.** The following is the omnibus equity incentive compensation plan of Pivotree Inc. (the "**Company**") pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Amended and Restated Pivotree Omnibus Equity Incentive Compensation Plan (the "**Plan**"). The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on October 21, 2020, and became effective upon completion of the initial public offering of common shares of the Company (the "**Effective Date**"), and will remain in force until the earlier of: (i) the date it is terminated by the Board in accordance with the Plan; and (ii) 10 years after the date of effectiveness of the Plan. The Plan is subject to amendment and/or restatement from time to time on approval of the Board and receipt of any required regulatory and/or shareholder approvals.

**1.2 Purpose of the Plan.** The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

**1.3 Termination of Predecessor Plan.** The Plan shall, in respect of Options, serve as the successor to the Company's stock option plan as it existed prior to the Effective Date (the "**Predecessor Plan**"). The Predecessor Plan will be deemed to be terminated as of, and no further awards shall be made under the Predecessor Plan from and after, the Effective Date.

### ARTICLE 2

#### DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity: (i) in which the Company, directly or indirectly, has majority ownership interest; or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under the Plan of Options, SARs, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.

"**Award Agreement**" means either: (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in

form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

**"Board"** means the board of directors of the Company as constituted from time to time.

**"Cause"** means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to windup, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

**"Committee"** means the Board or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

**"Company"** means Pivotree Inc.

**"Consultant"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Deferred Share Unit"** means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

**"Director"** means any individual who is a member of the Board.

**"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

**"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

**"Employee"** means any employee or officer of the Company or an Affiliate of the Company; provided, however, that Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

**"Existing Awards"** means options to purchase 1,921,400 Shares (on a post-Split basis) granted by the Company under the Predecessor Plan prior to, but which remain outstanding as of, the Effective Date.

**"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

**"Freestanding SAR"** means a SAR that is not a Tandem SAR, as described herein.

**"Grant Price"** means the price against which the amount payable is determined upon exercise of a SAR.

**"Insider"** has the meaning ascribed thereto in Section 1(1) of the OSA.

**"Investor Relations Service Provider"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"ITA"** means the *Income Tax Act* (Canada).

**"Non-Employee Director"** means a Director who is not an Employee.

**"Notice Period"** means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**"Option"** means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

**"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**"OSA"** means the *Securities Act* (Ontario), as may be amended from time to time.

**"Participant"** means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

**"Performance Period"** means the period of time during which the assigned performance criteria must be

met in order to determine the degree of payout and/or vesting with respect to an Award.

**"Performance Share Unit"** means an Award granted under Article 10 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** has the meaning ascribed to such term in Section 1(1) of the OSA.

**"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 herein and subject to the terms of the Plan.

**"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted by the Board.

**"Share Appreciation Right"** or **"SAR"** means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 herein and subject to the terms of the Plan.

**"Shares"** means common shares of the Company.

**"Split"** means the subdivision of the outstanding common shares of the Company on the basis of 50 post-Split Shares for each 1 pre-Split Share, to be completed on or about October 30, 2020.

**"Tandem SAR"** means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 herein and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident with a SAR: (a) a SAR is not a Tandem SAR unless so specified by the Committee at the time of grant; and (b) a Tandem SAR shall be considered two separate Awards under the Plan.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

**"Trading Day"** means a day when trading occurs through the facilities of the TSXV.

**"TSXV"** means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

**"U.S. Participants"** means those Participants that are United States taxpayers.

**"Voting Securities"** means any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

**"VWAP"** means the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of Shares traded for the five Trading Days immediately preceding the date of exercise of the subject Option.

### **ARTICLE 3 ADMINISTRATION**

**3.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

**3.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

**3.3 Delegation.** The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

### **ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

#### **4.1 Maximum Number of Shares Available for Awards.**

- (a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then outstanding Shares on a rolling basis (inclusive of all stock options forming part of the Existing Awards and all Shares issued as Dividend Equivalents in connection with an Option). To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.
- (b) In addition to (and not inclusive of) the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Corporation may issue up to an additional 2,362,527 Shares, in the aggregate, pursuant to the exercise of SARs, RSUs, DSUs and PSUs issued under the Plan (inclusive of all Shares issued as Dividend

Equivalents in connection with a SAR, RSU, DSU or PSU).

**4.2 Award Grants to Individuals.** The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSXV. The maximum number of Shares for which Awards may be issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant or any such Person, as applicable. For greater certainty, no Awards other than Options may be issued to any Consultants or Persons retained to provide Investor Relations Activities.

**4.3 Award Grants to Insiders.** Unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any Insider.

**4.4 Adjustments in Authorized Shares.** In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant or Share Appreciation Rights with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for

such issuance, assumption, substitution or conversion as provided in the previous sentence.

**4.5 Existing Awards.** Subject to any required approvals of the TSXV and compliance with applicable securities laws, all Existing Awards granted under the Predecessor Plan shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

## **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

**5.1 Eligibility.** Awards under the Plan shall be granted only to bona fide Employees, Non-Employee Directors and Consultants.

**5.2 Actual Participation.** Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## **ARTICLE 6 STOCK OPTIONS**

**6.1 Grant of Options.** Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

**6.2 Award Agreement.** Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

**6.3 Option Price.** The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

**6.4 Vesting of Options.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

**6.5 Duration of Options.** Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

**6.6 Blackout Periods.** If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10-business day period.

**6.7 Exercise of Options.** Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

**6.8 Payment.**

- (a) Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.
- (b) Subject to Section 6.8(c), the Option Price upon exercise of any Option shall be payable to the Company in full by direct deposit or wire transfer. As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15<sup>th</sup> day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).
- (c) Subject to Board approval, but excluding Options held by an Investor Relations Service Provider, a Participant may elect, in its sole discretion, to undertake: (i) a "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated under the Plan against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Participant surrendering the applicable portion of a then-vested and exercisable Option to the Company, that number of Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Participant shall be entitled to receive such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$a = \frac{b \times c - d}{c}$$

where:

a = the net number of Shares to be issued to the Participant;

b = the number of Shares under the Option being exercised;

c = the VWAP; and

d = the exercise price of the Option.

In the event of a cashless or net exercise pursuant hereto, the Participant shall comply with: (i) all applicable withholding obligations under the Plan; and (ii) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time, including prior written consent of the Board, in connection with such exercise. No fractional Shares will be issued upon a Participant making an election pursuant to this Section

6.8(c). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. For greater certainty, in determining all limits under the Plan, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued in connection with a Cashless Exercise or a Net Exercise, will be included in the calculation of such limits.

**6.9 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
- (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: Subject to Section 6.9(f), if a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
- (i) all unvested Options shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall

automatically and immediately expire and be forfeited on such date.

**6.10 Nontransferability of Options.** An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

## ARTICLE 7 SHARE APPRECIATION RIGHTS

**7.1 Grant of SARs.** Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

**7.2 SAR Agreement.** Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

**7.3 Term of SAR.** The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to Section 7.4, no SAR shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

**7.4 Blackout Periods.** If the date on which a SAR is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such SAR shall be extended to the last day of such 10-business day period.

**7.5 Exercise of Freestanding SARs.** Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

**7.6 Exercise of Tandem SARs.** With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

**7.7 Payment of SAR Amount.** Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion (subject to compliance with the rules of the TSXV). Payment shall be made no earlier than the date of exercise nor later than 2&1/2 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the

Award Agreement for the grant of the SAR (subject to compliance with the rules of the TSXV).

**7.8 Termination of Employment.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date.

**7.9 Nontransferability of SARs.** A SAR granted under the Plan may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the SAR shall continue to be subject to the terms of the Plan). Further, all SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

## **ARTICLE 8 RESTRICTED SHARE UNITS**

**8.1 Grant of Restricted Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**8.2 Restricted Share Unit Agreement.** Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the TSXV), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

**8.3 Vesting of Restricted Share Units.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the Restricted Share Unit was granted.

**8.4 Black Out Periods.** If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

**8.5 Nontransferability of Restricted Share Units.** The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**8.6 Dividends and Other Distributions.** During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.

**8.7 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
  - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.
- (b) **Disability:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) **Retirement:** If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) **Termination without Cause or Voluntary Resignation:** If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 8.7(a)-8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in

accordance with the terms of the Plan and the Award Agreement.

- (f) **Payment in Settlement of Restricted Share Units.** When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2&1/2 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

## **ARTICLE 9 DEFERRED SHARES UNITS**

**9.1 Grant of Deferred Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**9.2 Deferred Share Unit Agreement.** Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

**9.3 Nontransferability of Deferred Share Units.** The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**9.4 Black Out Periods.** If the date on which a Deferred Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

**9.5 Dividends and Other Distributions.** Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units.

**9.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such

provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

**9.7 Payment in Settlement of Deferred Share Units.** When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form (provided that such other form of payment complies with the rules of the TSXV), all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

## **ARTICLE 10 PERFORMANCE SHARE UNITS**

**10.1 Grant of Performance Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**10.2 Value of Performance Share Units.** Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

**10.3 Earning of Performance Share Units.** Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

**10.4 Form and Timing of Payment of Performance Share Units.** Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the TSXV). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

**10.5 Dividends and Other Distributions.** Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee

in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units.

**10.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

**10.7 Non-transferability of Performance Share Units.** Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to the terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

## ARTICLE 11 BENEFICIARY DESIGNATION

**11.1 Beneficiary.** A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

**11.2 Discretion of the Committee.** Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

## ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

**12.1 Employment.** Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a

Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

**12.2 Participation.** No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

**12.3 Rights as a Shareholder.** A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

### **ARTICLE 13 CHANGE OF CONTROL**

**13.1 Discretion of Board.** Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

**13.2 Non-Occurrence of Change of Control.** In the event that any Awards are conditionally exercised pursuant to Section 13.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

**13.3 Agreement with Purchaser in a Change of Control.** In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

### **ARTICLE 14 AMENDMENT AND TERMINATION**

**14.1 Amendment and Termination.** The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a

Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

**14.2 Reduction of Option Price or Grant Price.** Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option or the Grant Price of a SAR if the Participant is an Insider of the Company at the time of the proposed amendment.

## **ARTICLE 15 WITHHOLDING**

**15.1 Withholding.** The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

**15.2 Acknowledgement.** Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

## **ARTICLE 16 SUCCESSORS**

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

## **ARTICLE 17 GENERAL PROVISIONS**

**17.1 Delivery of Title.** The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

**17.2 Investment Representations.** The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

**17.3 Uncertificated Shares.** To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

**17.4 No Fractional Shares.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

**17.5 Other Compensation and Benefit Plans.** Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

**17.6 No Constraint on Corporate Action.** Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

**17.7 Compliance with Canadian Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

**17.8 Compliance with U.S. Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

## ARTICLE 18 LEGAL CONSTRUCTION

**18.1 Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

**18.2 Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

**18.3 Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

**18.4 Governing Law.** The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer

construction or interpretation of the Plan to the substantive law of another jurisdiction.

**18.5 Compliance with Section 409A of the Code.**

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administered and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event", "disability", or "separation from service", as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.

**SCHEDULE "B"**

**PIVOTREE INC.**

**CHARTER OF THE AUDIT COMMITTEE**

**1. Introduction**

This charter (the "**Charter**") sets forth the purpose, composition, duties and responsibilities of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Pivotree Inc. (the "**Company**").

**2. Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been designed, implemented and tested by management of the Company;
- external audit processes;
- helping directors meet their responsibilities;
- providing better communication between directors and external auditors;
- enhancing the independence of the external auditors;
- increasing the credibility and objectivity of financial reports; and
- strengthening the role of directors by facilitating in-depth discussions among directors, management and the external auditors regarding significant issues involving judgment and impacting quality controls and reporting.

**3. Membership**

**3.1 *Number of Members***

The Committee shall be composed of three or more members of the Board.

**3.2 *Independence of Members***

Subject to any exceptions under applicable law on which the Company may rely, each member of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Instrument 52-110 Audit Committees, as may be amended from time to time.

**3.3 *Chair***

At the time of the annual appointment of the members of the Committee, the Board may appoint a chair of the Committee. If a Committee chair is not appointed by the Board, the members of the Committee may designate a chair by majority vote of the full Committee membership. The Committee chair shall be a member of the Committee.

**3.4 *Financial Literacy of Members***

Subject to any exceptions under applicable law on which the Company may rely, at the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a

reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **3.5 *Term of Members***

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

## **4. Meetings**

### **4.1 *Number of Meetings***

The Committee may meet as many times per year as necessary to carry out its responsibilities.

### **4.2 *Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

### **4.3 *Calling of Meetings***

The Committee chair, any member of the Committee, the external auditors, the Chair of the Board, or either the Co-Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

### **4.4 *Chair***

The Committee chair shall preside over all Committee meetings that he or she attends, and in the absence of the Committee chair, the members of the Committee present may appoint a chair for the meeting from among their number.

### **4.5 *Minutes; Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

### **4.6 *Attendance of Non-Members***

The external auditors are entitled to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor, if one has been appointed, and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

### **4.7 *Meetings without Management***

As part of each meeting of the Committee, the independent directors shall hold a meeting with the external auditors of the Company and an in-camera session, at which management and non-independent directors are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

### **4.8 *Access to Management and Books and Records***

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

## 5. Duties & Responsibilities

The Committee has, among other things, the following responsibilities, in addition to the duties and responsibilities required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**"):

### 5.1 *Financial Statements and Reporting*

- Assist the Board in the discharge of its oversight responsibilities relating to the Company's financial statements and its financial reporting practices and system of internal accounting and financial controls, the corporate audit and risk assessment function, the management information systems, the annual external audit of the Company's financial statements and the compliance by the Company with laws and regulations and its own Code of Ethics and Business Conduct related thereto.
- Review significant accounting and reporting issues, including complex or unusual material transactions and highly judgmental areas, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or provisions included in any financial statements, and recent professional and regulatory pronouncements, and understand their impact on and presentation in the financial statements.
- Review and discuss with management and the external auditors the results of the audit, including any difficulties encountered and follow-up in that context and ensure that the external auditors are satisfied that the accounting estimates and judgments made by management's selection of accounting principles reflect an appropriate application of generally accepted accounting principles.
- Review the annual financial statements and consider whether there is any reason to believe that they are not complete, adequate, consistent with information known to the members of the Committee, and reflect appropriate accounting principles and, if appropriate, recommend to the Board their approval and disclosure.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditors' involvement.
- Review interim financial reports with management and the external auditors before disclosure and filing with regulators, and consider whether there is any reason to believe that they are not complete and consistent with the information known to the members of the Committee and reflect appropriate accounting principles and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Company's management discussion and analysis, and other financial information including, without limitation, forward-looking information provided by the Company to any governmental body or the public and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Company's annual information form, if applicable, and related regulatory filings before release to the extent that the same includes financial information, and consider the accuracy and completeness of the financial information contained therein and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Company's press releases containing financial information including, without limitation, forward-looking information before the Company publicly discloses this information and, if appropriate, recommend to the Board their approval and disclosure.
- Review and discuss with management any litigation matters which could significantly affect the financial statements, and review the manner in which these matters are disclosed in the financial statements.

- Review and discuss any regulatory compliance issues which could significantly affect the financial statements.
- Review and discuss any corporate governance issues which could significantly affect the financial statements.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- To the extent not previously reviewed by the Committee, review and, if appropriate, recommend to the Board the approval of all financial statements included in any prospectus, offering memoranda or other offering document and all other financial reports required by regulatory authorities and requiring approval by the Board.
- Review the statement of management's responsibility for the financial statements as signed by the management of the Company and included in any published document.
- Obtain explanations for communication to the Board for all significant variances between comparable reporting periods.
- Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
- Monitor the application of and update, as necessary, the Company's disclosure policy in relation to financial information.

## 5.2 *Internal Control*

- Review the Company's system of internal controls.
- Require management to design, implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures.
- At least annually, consider and review with management and the Company's external auditors:
  - the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
  - any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's regulatory filings;
  - any material issues raised by any inquiry or investigation by the Company's regulators;
  - the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
  - any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls and procedures.

- Recommend and supervise the establishment and operation of an internal audit process.

### 5.3 *External Audit*

- Recommend to the Board the appointment or discharge and compensation of the Company's external auditors.
- Oversee the work of the external auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.
- Fill the role as the direct contact for the external auditors and manage the relationship between the Company and the external auditors.
- Maintain a free and open line of communication with management, the Chief Financial Officer and the external auditors.
- Resolve disagreements between the external auditors and management as to financial reporting matters brought to the Committee's attention.
- At least annually, discuss with the external auditors such matters as are required by applicable auditing standards.
- At least annually, review a summary of the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review a report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditors that the Committee deems advisable in accordance with Applicable Requirements and policies and procedures adopted by the Board.
- At least annually, and before the external auditors issue their report on the annual financial statements: review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services; discuss any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable rules of professional conduct and other Applicable Requirements.
- At least annually, meet separately with the external auditors to discuss the access to requested information and level of cooperation from management during the performance of their work.
- On a regular basis, review and approve the Company's hiring policies regarding partners, employees and former employees of the present and former external auditors of the Company.
- Review the qualifications and performance of the lead partner(s) of the external auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

### 5.4 *Compliance*

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters (the "**Complaints Procedures**").
- Review the effectiveness of the Complaints Procedures and follow-up (including disciplinary action) of any instances of non-compliance.

- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and the Company's legal counsel regarding compliance matters in respect of the Complaints Procedures.
- Review reports regarding any material communications received from regulators in relation to financial information.

### **5.5 *Other Responsibilities***

- Review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.
- Perform other activities related to this Charter as requested by the Board.
- Investigate and assess any issue that raises significant concern to the Committee, with the assistance, if so required by the Committee, of the Chief Financial Officer and/or the external auditors.

## **6. Oversight Function**

While the Committee is responsible for overseeing the Company's financial statements and financial disclosures as set forth in this Charter, the Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company, and the Company's external auditors are responsible for auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

## **7. Reporting**

The Committee chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following the Committee's meeting. As required by the Applicable Requirements, the Committee should report annually to shareholders, describing the Committee's composition, responsibilities and any other information required by applicable law. The Committee should also review any other report the Company issues that relates to the Committee's responsibilities.

## **8. Delegation**

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

## **9. Access to Information and Authority**

The Committee will be granted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve and pay any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

## **10. Limitation on Committee's Duties; No Rights Created**

Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations. In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee

shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the members of the Board are subject. This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

**11. Review of Charter**

Periodically, the Committee shall review and assess the adequacy of this Charter to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend for Board approval any modifications to this Charter as considered advisable.

**SCHEDULE "C"****PIVOTREE INC.****MANDATE OF THE BOARD OF DIRECTORS****1. Statement of Purpose**

The Board of Directors (the "**Board**") is responsible for the stewardship of Pivotree Inc. (the "**Company**") and for supervising the management of the business and affairs of the Company. Accordingly, the Board acts as the ultimate decision-making body of the Company, except with respect to those matters that must be approved by the shareholders. The Board has the power to delegate its authority and duties to Board committees or individual members and to senior management as it determines appropriate, subject to any applicable law. The Board explicitly delegates to senior management responsibility for the day-to-day operations of the Company, including for all matters not specifically assigned to the Board or to any committee of the Board. Where a committee of the Board or senior management is responsible for making recommendations to the Board, the Board will carefully consider those recommendations.

Certain aspects of the composition and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; and meeting procedures and notices of meetings) are prescribed by the *Business Corporations Act* (Ontario) and the *Securities Act* (Ontario) (subject in each case to any exemptions or relief that may be granted from such requirements), the Company's articles and by-laws and any applicable Company agreements.

**2. Board Mandate**

The directors' primary responsibility is to act in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In fulfilling its responsibilities, the directors are, among other matters, responsible for the following:

- participating in the development of the Company's strategic planning process and adopting a long-term strategic plan for the Company;
- determining, from time to time, the appropriate criteria against which to evaluate performance and set strategic goals and objectives;
- monitoring performance against both strategic goals and objectives of the Company and satisfying itself that the Company is pursuing a sound strategic direction in accordance with such goals and objectives;
- reviewing, and if advisable, approving management's annual fiscal plan;
- reviewing operating and financial performance results relative to established corporate goals and objectives;
- reviewing reports provided by management regarding the principal risks associated with the Company's business and operations, reviewing the implementation by management of appropriate systems to manage these risks, and reviewing reports by management relating to the operation of, and any material deficiencies in, these systems;
- overseeing the Company's compliance with applicable audit, accounting and financial and non-financial reporting requirements and confirming that management has established adequate internal

control and management information systems, including in the areas of internal control over financial reporting and disclosure controls and procedures;

- adopting a communications policy for the Company (including ensuring the timeliness and integrity of communications to shareholders, other stakeholders and the public and establishing suitable mechanisms to receive shareholder views);
- reviewing and approving the Company's annual and interim financial statements and related management's discussion and analysis, annual information form, annual report (if any) and management proxy circular;
- determining the amount and timing of dividends to shareholders, if any, and approving any securities issuances and repurchases by the Company;
- on an annual basis, determining which of its directors is independent based on the rules of applicable stock exchanges and securities regulatory authorities;
- establishing committees of the Board, where required or prudent;
- approving the charters of the Board committees, the appointment of directors to Board committees and the appointment of the chairs of those committees;
- reviewing reports of the Corporate Governance and Compensation Committee concerning the Company's approach to human resources management and executive compensation;
- reviewing and approving the business and investment objectives to be met by management and ensuring they are consistent with the Company's long-term goals;
- appointing the Chief Executive Officer (the "**CEO**") and other corporate officers;
- delegating to the CEO the authority to manage and supervise the business of the Company, including making any decisions regarding the Company's ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority;
- determining what, if any, executive limitations may be required in the exercise of the authority delegated to management;
- monitoring the social responsibility, integrity and ethics of the Company, including, on an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and the other executive officers create a culture of integrity throughout the Company;
- monitoring and evaluating the performance of the CEO and the other executive officers against the corporate goals and objectives;
- satisfying itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management;
- reviewing reports of the Corporate Governance and Compensation Committee concerning the Company's approach to corporate governance;
- adopting a Code of Ethics and Business Conduct (the "**Code**") applicable to all directors, officers and employees of the Company and its subsidiaries, and approving any waiver of the Code for directors or executive officers; and
- approving position descriptions for the Chair of the Board, the Lead Director (if applicable), the chair of each Board committee and the CEO, and periodically reviewing such position descriptions.

### 3. **Independence of Directors**

If the Chair of the Board is not independent, the directors shall select from among the independent directors, an individual who will act as "**Lead Director**" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board.

The Board will consider, on an ongoing basis, whether additional structures or processes are required to permit it to function independently of management of the Company.

The Board believes that its members should be permitted to serve on the boards of other public entities so long as these commitments do not materially interfere with and are not incompatible with their ability to fulfill their duties as a member of the Board.

### 4. **Committees**

The Board has established the following committees: the Audit Committee and the Corporate Governance and Compensation Committee. Circumstances may warrant the establishment of new Board committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees.

The authority and responsibilities of each Board committee shall be set out in a written charter that has been approved by the Board. At least annually, each Board committee charter shall be reviewed and, on the recommendation of the Corporate Governance and Compensation Committee, any advisable amendments thereto shall be approved by the Board.

Each Board committee chair shall provide a report to the Board on material matters considered by the committee at the next regular Board meeting following such committee's meeting.

### 5. **Board Meetings**

#### 5.1 *Agenda*

The Chair is responsible for establishing the agenda for each Board meeting.

#### 5.2 *Frequency of Meetings*

The Board will meet as often as the Board considers appropriate to fulfill its duties, but in any event at least once per quarter.

#### 5.3 *Responsibilities of Directors with Respect to Meetings*

Each director is expected to attend all meetings of the Board and any Board committee of which he or she is a member. Directors are expected to have read and considered, in advance of each meeting, the materials sent to them and to actively participate in the meetings.

#### 5.4 *Minutes*

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary in sufficient detail to convey the substance of all discussions held and shall be, on a timely basis, subsequently presented to the Board for approval.

### **5.5 *Attendance at Meetings***

The Board (or any Board committee) may invite, at its discretion, non-directors to attend a meeting. Any member of management will attend a meeting if invited by the directors. The Chair of the Board may attend any Board committee meeting.

### **5.6 *Meetings of Independent Directors***

At the conclusion of each meeting of the Board, the independent directors shall hold an in-camera session, at which management and non-independent directors are not present, and the agenda for each Board meeting will afford an opportunity for such a session. The independent directors may also, at their discretion, hold ad hoc meetings that are not attended by management and non-independent directors.

## **6. Communications with Shareholders and Others**

Shareholders and others may contact the Board with any questions or concerns, including complaints with respect to accounting, internal accounting controls, or auditing matters, by contacting the Chief Financial Officer of the Company at 250 Yonge Street, 16<sup>th</sup> Floor, Toronto, Ontario M5B 2L7.

## **7. Access to Management and Outside Advisors**

The Board shall have unrestricted access to the Company's management and employees. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

## **8. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the Company's affairs. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles and by-laws, it is not intended to establish any legally binding obligations.

## **9. Mandate Review**

Periodically, the Board shall review and assess the adequacy of this Mandate to ensure compliance with any rules or regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.