



**ZEDCOR INC.**

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

**TO BE HELD ON**

**SEPTEMBER 21, 2022**

**MANAGEMENT INFORMATION CIRCULAR**

**AND**

**PROXY STATEMENT**

**DATED – AUGUST 9, 2022**



## ZEDCOR INC. - NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the Annual and Special meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of Zedcor Inc. (the “**Corporation**”) will be held at the offices of Dentons Canada LLP 10th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8, on September 21, 2022, at 10:00 a.m. (Calgary time), for the following purposes. The Corporation reserves the right to amend the location of the Meeting to allow for flexibility as the COVID-19 Pandemic continues.

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditors thereon;
2. to approve an ordinary resolution to fix the number of directors of the Corporation to be elected at the Meeting for the ensuing year at four (4);
3. to elect the nominees to the board of directors of the Corporation (the “**Board**”) for the ensuing year, as set out in the management information circular (the “**Circular**”) prepared for the purposes of the Meeting;
4. to appoint MNP LLP, Chartered Accountants, of Calgary, Alberta, as auditor of the Corporation for the ensuing year and to authorize the Board to fix their remuneration;
5. to consider, and, if thought advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, to confirm the Corporation’s stock option plan; and
6. to transact such other business as may be properly brought before the Meeting or any adjournments or postponements thereof.

The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the Circular and Instrument of Proxy accompanying this Notice of Meeting. At the Meeting, Shareholders will be asked to approve each of the foregoing items.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, the Corporation remains mindful of the well-being of Shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Corporation currently intends on holding the Meeting as a physical shareholder meeting. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. In light of current provincial government gathering restrictions, at this time, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting in person. In addition, in view of current and potential future guidance regarding physical distancing and further restrictions on large gatherings, in order to ensure as many common shares of the Corporation as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible.

Only Shareholders of record at the close of business on **August 9, 2022** are entitled to notice of and attend the Meeting or any adjournment or postponement thereof and to vote thereat. **A Shareholder may attend the Meeting in person or may be represented thereat by proxy. A form of proxy for use at the Meeting or any adjournment or postponement thereof is enclosed with this notice. Shareholders who are unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy to the Corporation’s transfer agent (the “Transfer Agent”), Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, in the enclosed self-addressed envelope. In order to be valid, proxies must be received by the Transfer Agent at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof.**

DATED this 9<sup>th</sup> day of August, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) “*Jan Campbell*”  
Jan Campbell, Corporate Secretary



**ZEDCOR INC.**  
**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT FOR THE**  
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON SEPTEMBER 21, 2022**

**General**

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Management Information Circular and Proxy Statement (“Circular”), unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Circular is given as of August 9, 2022, unless otherwise stated.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, the Corporation (as defined below) remains mindful of the well-being of Shareholders (as defined below) and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Corporation currently intends on holding the Meeting (as defined below) as a physical shareholder meeting. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. In light of current provincial government gathering restrictions, at this time, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting in person. In addition, in view of current and potential future guidance regarding physical distancing and further restrictions on large gatherings, in order to ensure as many Shares (as defined below) as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible.

**SOLICITATION OF PROXIES**

This Circular is furnished in connection with the solicitation of proxies by the management of Zedcor Inc. (the “Corporation”) for use at the Annual and Special Meeting of the holders of common shares (the “Shares”) of the Corporation (the “Shareholders”) to be held at the **at the offices of Dentons Canada LLP 10th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8, on September 21, 2022** at 10:00 a.m. (Calgary time), or at any adjournment thereof (the “Meeting”), for the purposes set forth in the Notice of Meeting. **The Corporation reserves the right to amend the location of the Meeting to allow for flexibility as the COVID-19 Pandemic continues.** Accompanying this Circular (and filed with applicable securities regulatory authorities) is the form of proxy for use at the Meeting, by holders of Shares of the Corporation.

Proxies will be solicited by mail and may also be solicited personally or by telephone or facsimile by the directors or officers of the Corporation, who will not be specifically remunerated therefor. The cost of solicitation by management of the Corporation will be borne by the Corporation. The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Circular, the Notice of Meeting and Instrument of Proxy to the beneficial owners of such securities. The Corporation will provide, without cost to such persons, upon request to the Corporation, additional copies of the foregoing documents required for this purpose.

## Notice-and-Access

The Corporation has elected to use the “notice-and-access” provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the “**Notice-and-Access Provisions**”) for the Meeting in respect of mailings to its Shareholders who do not hold their Shares in their own name, but rather hold their Shares indirectly through accounts with such institutions as brokerage firms, banks and trust companies (referred to in this Circular as “**Beneficial Shareholders**”). However, the Corporation will not be using the Notice-and-Access Provisions in respect of mailings to its registered holders of Shares (“**Registered Shareholders**”). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

In relation to the Meeting, Registered Shareholders will receive a paper copy of each of a notice of the Meeting, this Circular dated August 9, 2022 and a form of proxy whereas Beneficial Shareholders will receive a Notice-and-Access Notification and a voting instruction form. A paper copy of financial statements and related management’s discussion and analysis (collectively, “**Financial Information**”) in respect of the most recent financial year of the Corporation has been mailed to Registered Shareholders as well as to those Beneficial Shareholders who have previously requested to receive them.

The Corporation will be delivering proxy-related materials through intermediaries to both non-objecting Beneficial Shareholders and objecting Beneficial Shareholders, and the Corporation intends to pay intermediaries for the delivery of such material.

## PROXY INSTRUCTIONS

**Shareholders have the right to appoint a nominee (who need not be a Shareholder), other than the persons specified in the enclosed Instrument of Proxy, to represent them at the Meeting, and may do so by inserting the name of the appointed representative in the blank space provided in the Instrument of Proxy.**

Registered Shareholders may vote in person at the Meeting or any adjournment or postponement thereof or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. Registered Shareholders unable to be present at the Meeting in person are requested to date and sign the enclosed form of proxy and mail it to or deposit it with the Corporation’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America); or (iv) you may vote by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America). If you wish to vote through the Internet, please go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. You will require your control number found on your proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Beneficial Shareholders who hold Shares through a broker, financial institution, trustee, nominee or other intermediary or otherwise should carefully follow the instructions found on their voting instructions form.

At the discretion of the Chair of the Meeting, proxies may be deposited with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof. The giving of a proxy will not affect the right of a Shareholder to attend in person at the Meeting, or any adjournment or postponement thereof and, provided that the proxy is revoked, to vote.

### **Voting Instructions – Registered Shareholders**

You are a Registered Shareholder if your name appears on your share certificate. Registered Shareholders who are eligible to vote can vote their Shares in person at the Meeting. Registered Shareholders, who are eligible to vote but who are unable to attend the Meeting in person, are able to vote their Shares by proxy as described above under “*Proxy Instructions*”, and Registered Shareholders are also entitled to vote their Shares either by telephone or on the Internet. In both cases, the control number which is located on the Instrument of Proxy will be required. **Please note that if you register your votes by telephone, you cannot appoint anyone other than the directors named on the Instrument of Proxy as your proxy holder.**

### **Voting Instructions – Beneficial Shareholders**

**The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders of the Corporation do not hold Shares in their own name.** Such Beneficial Shareholders should note that only proxies deposited by Registered Shareholders 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, these 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 name of the broker or an agent of a 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 nominee for many Canadian banks, trust companies and brokerage firms). Shares held by brokers or their nominees can only be voted (for, against or withheld from voting for resolutions) upon the instructions of the Beneficial Shareholders. Without specific instructions, brokers/nominees are prohibited from voting Shares for their clients.

Applicable regulatory rules require 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically mails its own form of proxy to the Beneficial Shareholders with the request that the form be completed and returned to its attention. Beneficial Shareholders also have the option in certain cases of forwarding their voting instructions by telephone or through the Internet. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares at the Meeting.

**A Beneficial Shareholder receiving a Broadridge form of proxy cannot use that form to vote directly at the Meeting. This form must be returned to Broadridge by mail, hand delivery, fax, Internet or telephone, as directed, well in advance of the Meeting in order to have Shares voted.** If the Beneficial Shareholder wishes to attend and vote at the Meeting in person, that Beneficial Shareholder must insert his or her own name as appointee in the space provided. In this way, the Beneficial Shareholder appoints him or herself as Proxy and may therefore attend and act at the Meeting.

### **Voting by Telephone or Internet**

Registered Shareholders may also cast their vote by telephone (1-866-732-8683 within North America, 312-588-4290 from outside North America) or Internet ([www.investorvote.com](http://www.investorvote.com)) by following the instructions provided on the form. If you choose to vote by telephone or Internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and holidays prior to the time of the Meeting.

### **REVOCABILITY OF PROXIES**

Proxies are revocable. A Shareholder submitting an Instrument of Proxy may revoke the Instrument of Proxy, by instrument in writing, executed by the Shareholder or by his or her attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation at any time up to and including the last business day

preceding the day of the Meeting, or any adjournment thereof, at which the Instrument of Proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof.

An Instrument of Proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and signed by the Shareholder, or by his attorney duly authorized in writing, and delivered to the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, in acceptable form at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the Meeting, or any adjournment thereof.

#### **EXERCISE OF DISCRETION BY PROXY HOLDERS**

The Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder where voting is by way of a show of hands or by ballot, and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Shares represented by the form of proxy will be voted accordingly. The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof in accordance with their best judgement unless the Shareholder has specified to the contrary or that Shares are to be withheld from voting. At the time of printing this Circular, the management of the Corporation knew of no such amendment, variation or other matter.

In the absence of instructions of a Shareholder to the contrary, proxies in favour of the management designees will be voted in favour of the matters set forth herein.

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record, unless specifically stated otherwise.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at August 9, 2022, being the record date for the determination of holders of Shares who are entitled to notice of, and to attend and vote at the Meeting (the "**Record Date**"), the Corporation had outstanding 70,892,259 Shares. Each Share confers upon the holder thereof the right to one vote. Only those Shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting.

Any transferee or person acquiring Shares after the Record Date may, on proof of ownership of Shares, demand not later than 10 days before the Meeting that his or her name be included in the list of persons entitled to attend and vote at the Meeting.

The By-laws of the Corporation provide that at least two persons present in person, being Shareholders entitled to vote thereat and holding or representing by proxy not less than 5% of the outstanding Shares of the Corporation entitled to vote at the Meeting, constitute quorum for the Meeting in respect of holders of Shares.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the voting rights attached to all of the outstanding Shares, other than as set out below:

Name of Shareholder	Number of Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly	Percentage of Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly <sup>(1)</sup>
Dean Swanberg	23,800,000 <sup>(2)(3)</sup>	33.57%

**Notes:**

(1) Based on 70,892,259 issued and outstanding Shares as at August 9, 2022.

(2) Mr. Swanberg has direct control over 1,600,000 Shares.

(3) Includes 22,200,000 Shares beneficially owned or controlled by Mr. Swanberg which are registered in the name of D.S.S. Holdings Inc., a private Alberta corporation controlled by Mr. Swanberg.

## CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices (“NI 58-101”)*, sets out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

### 1. Board of Directors

The board of directors of the Corporation (the “**Board**”) is currently made up of four (4) members, with four (4) of the current members to be nominees for election as a director at the Meeting. The Board has concluded that each nominee is well qualified to serve on the Corporation’s Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. All of the individuals who are elected as directors will have their terms of office expire at the next annual meeting of the Corporation, or until successors are elected or directors resign.

The Board considers that Wade Felesky, Brian McGill, Dean Shillington and Dean Swanberg are independent director nominees according to the definition of “independence” as set out in Section 1.4 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)* as it applies to the Board. Based on the foregoing, the Board has determined that four (4) of the four (4) director nominees are independent.

### 2. Directorships

Mr. Felesky is a director of New Stratus Energy Inc. None the remaining director nominees are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction.

### 3. Orientation and Continuing Education

The Corporation has not developed a formal orientation program for new directors. However, the Corporation provides each new director with copies of the mandates for the Board and each committee of the Board, as well as position descriptions for the Chair of the Board, the Chair of each committee of the Board and the Chief Executive Officer as well as copies of the Corporation’s Communication and Social Media Policy and the Corporation’s Code of Business Conduct and Ethics, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, in order to provide continuing education to the directors, the Board has instructed the Corporate Secretary of the Corporation to provide the directors with updates from time to time, with respect to new regulatory developments which may be of interest to the Board.

#### **4. Ethical Business Conduct**

The Corporation has adopted a written Code of Business Conduct and Ethics (the “Code”). Reasonable steps are taken to monitor compliance with the Code by requiring directors and officers to sign a written acknowledgment that they have read the Code. The Code applies to the Corporation’s directors, officers and employees, each of whom is expected to ensure that his or her behaviour accords with the letter and the spirit of the Code. The Board is responsible for reviewing departures from the Code by executive officers, management, employees and consultants, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct. The Board, through the Audit Committee Chair, also receives reports of all financial or accounting and other appropriate issues raised through the Corporation’s anonymous toll-free whistleblower hotline. The Board also has a Communications and Social Media Policy which regulates the manner in which material information is determined and disseminated.

#### **5. Nomination of Directors**

A core responsibility of the Corporate Governance, Nominating and Compensation Committee is to identify prospective Board members, consistent with Board-approved criteria, and to recommend such individuals as nominees for election to the Board at each annual meeting of shareholders or to fill vacancies on the Board. For the Corporate Governance, Nominating and Compensation Committee to recommend an individual for Board membership, candidates are assessed on their individual qualifications, experience and expertise and must exhibit the highest degree of integrity, professionalism, values and independent judgement. The Corporate Governance, Nominating and Compensation Committee and the Board do not adhere to any quotas in determining Board membership. The Corporate Governance, Nominating and Compensation Committee believes that the Board should be comprised of directors with a broad range of experience and expertise which are necessary for the Board to carry out its mandate effectively, allowing the Corporate Governance, Nominating and Compensation Committee to identify criteria that a new candidate for the Board should possess. Before making a recommendation on a new director candidate to the Board, the Chair of the Corporate Governance, Nominating and Compensation Committee will meet with the candidate to discuss the candidate’s interest and ability to devote the time and commitment required to serve on the Corporation’s Board.

The Corporation’s Corporate Governance, Nominating and Compensation Committee is currently comprised of three directors, being Dean Swanberg (Chair) - independent; Wade Felesky - independent and Brian McGill – independent. “Independent” refers to the standards of independence set forth within Section 1.4 of NI 52-110.

#### **6. Compensation**

The Board has established a Corporate Governance, Nominating and Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for the Corporation’s officers and directors. The Corporate Governance, Nominating and Compensation Committee is currently comprised of three directors, being Dean Swanberg (Chair) - independent, Wade Felesky – independent and Brian McGill – independent. “Independent” refers to the standards of independence set forth within Section 1.4 of NI 52-110.

The skills and experience of each Corporate Governance, Nominating and Compensation Committee member in executive compensation that is relevant to his responsibilities and the making of decisions on the suitability of the Corporation’s compensation policies and practices are as follows:

Dean Swanberg

Mr. Swanberg has a breadth of experience acquired throughout his business career in which he addressed compensation matters for various companies’ executive officers and directors.

Wade Felesky	Mr. Felesky has a breadth of experience acquired throughout his business career which enables him to make effective decisions on the Corporation's compensation policies and practices.
Brian McGill	Mr. McGill has a breadth of experience acquired throughout his business career in which he has addressed compensation matters for various companies' executive officers and directors.

Compensation is determined in the context of the Corporation's goals, shareholder returns and other achievements, and considered in the context of position descriptions, goals and the performance of each individual director and officer. With respect to compensation matters, the Corporate Governance, Nominating and Compensation Committee's tasks include: (a) annually recommending objectives and performance criteria applicable to the Board, each director, the Chair of the Board, the Chair of each committee of the Board and the Chief Executive Officer; (b) making recommendations to the Board regarding the amount and form of compensation to award the directors, the Chair of the Board and the Chair of each committee of the Board; (c) making recommendations to the independent members of the Board regarding the amount and form of compensation to award the Chief Executive Officer; (d) reviewing and making recommendations to the Board regarding proposals for the compensation of executive officers and management; (e) reviewing and making recommendations regarding all incentive and equity-based compensation plans and all proposed grants of securities under such plans; and (f) reviewing and making recommendations regarding employee benefit and retirement plans. The compensation of directors and officers of competitors and peers is considered, to the extent information thereon is publicly available, in determining compensation.

For a detailed discussion of the compensation of the directors of the Corporation, see the discussion under "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

The Corporate Governance, Nominating and Compensation Committee annually recommend the compensation to be received by the Corporation's directors and officers.

## **7. Other Board Committees**

As of the date hereof, there are no other standing Board committees.

## **8. Assessments**

The Board has no formal process in place to assess the effectiveness of the Board, its committees and the contribution of each individual director. However, through the regular interaction between Board members, the Board satisfies itself that the Board, its committees and each individual director is performing effectively.

## **AUDIT COMMITTEE**

Under National Instrument 51-102 *Continuous Disclosure Obligations*, the Corporation is required to include in its Circular the disclosure required under Form 52-110F2 with respect to its Audit Committee, including the composition of the Audit Committee, the text of its Audit Committee Charter and the fees paid to the external auditor, all of which is attached hereto as Schedule "A".

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **1. Compensation Discussion and Analysis**

The Corporate Governance, Nominating and Compensation Committee (the "**Committee**") of the Board makes recommendations to the Board regarding compensation to be provided to the executive officers and directors of the Corporation and the executive officers of its subsidiaries and, in doing so, the Committee receives input from the Chief Executive Officer in respect of all executive officers other than the Chief Executive Officer.

Compensation of all executive officers is based on the underlying philosophy that such compensation should be competitive with other business operations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

#### *Named Executive Officers*

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the three most recently completed financial years. “**Named Executive Officer**” is defined by the legislation to mean: (i) each of the CEO and Chief Financial Officer (“**CFO**”) of the Corporation, regardless of the amount of compensation of that individual; (ii) each of the Corporation’s three most highly compensated executive officers or individuals acting in a similar capacity, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation and bonus exceeds \$150,000; and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

An “**executive officer**” is defined by the legislation to mean: (i) the chair of the Corporation; (ii) a vice-chair of the Corporation; (iii) the President of the Corporation; (iv) a vice-president of the Corporation in charge of a principal business unit, division or function, such as sales, finance or production; or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

For purposes of this Circular, the three (3) executive officers of the Corporation as of December 31, 2021, as listed in the table under the heading “*Summary Compensation Table*”, are the NEOs.

#### ***Objectives of the Compensation Program***

The objectives of the Corporation’s executive compensation program are twofold, namely: (i) to enable the Corporation to attract and retain highly qualified and experienced individuals to serve as executive officers; and (ii) to align the compensation levels available to the executive officers to the successful implementation of the Corporation’s strategic plans. The Corporation’s executive compensation program is designed to reward the NEOs where they have contributed to the prosperity and growth of the Corporation.

#### ***Elements of the Compensation Program***

The Corporation’s executive compensation program consists of a combination of the following significant elements, namely: (i) base salary; and (ii) participation in the Stock Option Plan (as hereinafter defined). The Committee has not implemented a formal bonus plan. The Committee may, from time to time, in their discretion, recommend bonus payments to reward employees including NEOs, subject to approval by the Board. These elements contain both short-term incentives, comprised of cash payments, being those provided by way of base salaries and the payment of bonuses, if any, as may be determined on a discretionary basis, as well as long-term incentives, comprised of equity based incentives, being those provided under the Stock Option Plan. The process for determining perquisites and approval of benefits for the NEOs is, firstly, to implement perquisites and benefits which are comparable to those usually offered by other business entities of a similar size to the Corporation and secondly, to make those perquisites and benefits available to each NEO, equally. The Corporation chooses to pay each element of its executive compensation program in order to maintain its competitive position in the marketplace. The amount for each element of the Corporation’s executive compensation program is determined based upon compensation levels provided by the Corporation’s competitors as well as upon the discretion of the Board, where applicable, as described below. Each element of the Corporation’s executive compensation program is intended to contribute to an overall total compensation package which is designed to provide both short-term and long-term financial incentives to the NEOs and to thereby assist the Corporation to successfully implement its strategic plans. The Committee annually assesses how each element fits into the overall total compensation package and makes recommendations to the Board relating thereto from time to time.

### *Base Salaries*

Base salaries for the NEOs, are reviewed annually and are set to be competitive with industry levels. In addition, in its annual review of base salaries, the Committee has regard to the contributions made by the NEOs, how their compensation levels relate to compensation packages that would be available to such officers from other employment opportunities and commercially available salary survey data and information publicly disclosed by some of the Corporation's competitors and peers. This enables the Corporation to establish base salaries which attract and retain highly qualified and experienced individuals. Other than as set out immediately above, the base salaries of the NEOs are not determined based on benchmarks, performance goals or a specific formula.

Effective October 1, 2019, the Corporation took measures to improve its operational and financial performance under the current economic outlook while continuing to provide essential services to its customers, which included a 10% roll-back in base salary for the NEOs. Effective May 1, 2020, a further 17% roll-back of the base salary for the President and CEO was approved by the Board. Effective January 1, 2021, the base salary rollbacks for the NEOs were returned to pre-rollback levels.

### *Stock Option Plan*

The Corporation established a stock option plan for its directors, officers, employees and consultants effective October 1, 2011, which was initially approved by the holders of common shares (the "Shares") of the Corporation (the "Shareholders") of the Corporation on September 29, 2011 and was most recently approved by the Shareholders of the Corporation on September 21, 2021 (the "Stock Option Plan"). The process that the Board uses to grant option-based awards to executive officers, including the NEOs, and the factors that are taken into account when considering new grants under the Stock Option Plan, are based upon a number of criteria, including the performance of the executive officers, the number of stock options available for grant under the Stock Option Plan, the number of stock options anticipated to be required to meet the future needs of the Corporation, as well as the number of stock options previously granted to each of the NEOs. It is the full Board, as opposed to the Committee, which determines the need for any amendments to the Stock Option Plan and it is the full Board, by recommendation from the Committee which determines the number of stock option grants to be made under the Stock Option Plan. The CEO provides input and recommendations to the Board regarding the granting of stock options, from time to time. The CEO where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

### *Discretionary Bonus*

The Corporation does not have a formal bonus plan but may, from time to time, award discretionary bonuses. The award of a bonus is determined, in all cases, by a recommendation by the Committee and then formal approval from the Board, and is not based on specific performance goals or specific criteria. Discretionary bonuses are intended to drive and reward current year results as well as to provide incentive for future performance.

### ***Employment, Consulting and Management Agreements***

The Corporation does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation that were: (a) performed by a NEO or director of the Corporation; or (b) performed by any other party which provided services that are typically provided by a NEO or a director of the Corporation, other than the following:

As of December 31, 2021, the Corporation had entered into Employment agreements (“**Agreements**”) with Todd Ziniuk, President and Chief Executive Officer and Amin Ladha, Chief Financial Officer, the terms of which continue until terminated in accordance with the provisions of the Agreements. The termination and change of control provisions in the Agreements are as follows:

Mr. Ziniuk	Mr. Ladha
<i>Termination by Resignation</i> – Mr. Ziniuk shall provide the Corporation with 30 days’ notice of resignation and all salary and benefit programs cease at the end of the notice period.	<i>Termination by Resignation</i> – Mr. Ladha shall provide the Corporation with 30 days’ notice of resignation and all salary and benefit programs cease at the end of the notice period.
<i>Termination Without Cause</i> – If Mr. Ziniuk’s employment is terminated without cause, the Corporation will make payment to Mr. Ziniuk of his base salary alone by way of salary continuance in accordance with its usual payroll schedule for a period of twelve (12) months.	<i>Termination Without Cause</i> – If Mr. Ladha’s employment is terminated without cause, the Corporation will make payment to Mr. Ladha of an amount equal to his base salary for a three (3) month period, less applicable deductions required by law.
<i>Termination due to Death</i> – Mr. Ziniuk’s employment with the Corporation shall be deemed to have terminated upon his death. In this event, the Corporation would make a payment to his spouse equal to the remuneration earned, but not yet paid, up to the date of his death.	<i>Termination due to Death</i> – Mr. Ladha’s employment with the Corporation shall be deemed to have terminated upon his death. In this event, the Corporation would make a payment to his spouse equal to the remuneration earned, but not yet paid, up to the date of his death.
<i>Termination upon Permanent Disability</i> – In the event that Mr. Ziniuk should suffer a permanent disability, his employment with the Corporation may be terminated upon providing him 60 days’ notice.	<i>Termination upon Permanent Disability</i> – Mr. Ladha’s employment agreement does not include this provision.
<i>Termination for Just Cause</i> – The Corporation may terminate Mr. Ziniuk’s employment without notice for reasons of just cause. In this event, the Corporation would make a payment to Mr. Ziniuk equal to the remuneration earned, but not paid, up to the date of the termination of employment.	<i>Termination for Just Cause</i> – The Corporation may terminate Mr. Ladha’s employment without notice for reasons of just cause. In this event, the Corporation would make a payment to Mr. Ladha equal to the remuneration earned, but not paid, up to the date of the termination of employment.
<i>Termination due to Change of Control</i> – Mr. Ziniuk has the right, for a period of 90 days following any event causing a change of control, to elect to terminate his employment with the Corporation. In such an event, Mr. Ziniuk is entitled to receive a lump sum payment equal to his base salary for a twelve (12) month period, grossed up by ten (10%) percent, plus a lump sum amount in lieu of bonuses calculated as the greater of twenty-five (25%) percent of base salary or the average of the bonuses paid to Mr. Ziniuk in the previous three years, less applicable deductions required by law. Such a payment due to the occurrence of a change of control, as calculated at December 31, 2021, would amount to \$405,000 less applicable deductions required by law.	<i>Termination due to Change of Control</i> – Mr. Ladha has the right, for a period of 90 days following any event causing a change of control, to elect to terminate his employment with the Corporation. In such an event, Mr. Ladha is entitled to receive a lump sum payment equal to his base salary for a six (6) month period, grossed up by ten (10%) percent, plus a lump sum amount in lieu of bonuses calculated as the greater of twenty-five (25%) percent of base salary or the average of the bonuses paid to Mr. Ladha in the previous three years, less applicable deductions required by law. Such a payment due to the occurrence of a change of control, as calculated at December 31, 2021, would amount to \$162,000 less applicable deductions required by law.

Pursuant to the Stock Option Plan, in the event of a change of control as provided for therein, outstanding stock options shall immediately vest and become exercisable by optionees. Other than the employment agreements referenced above, the Corporation does not have in place any other agreements or arrangements that provide for payments to the NEOs or the directors with respect to change of control, severance, termination or constructive dismissal of NEOs or directors.

The following table sets forth the estimated incremental payments and benefits that would be received by NEOs following a change of control of the Corporation, had such event occurred on December 31, 2021:

Name	Employment or other agreements (\$)	Stock Option Plan <sup>(1)</sup> (\$)	Total (\$)
Amin Ladha	162,000	52,000	214,000
James Leganchuk	N/A	56,333	56,333
Todd Ziniuk	405,000	164,667	569,667

**Note:**

(1) Value is calculated based on the difference between the exercise price of unvested stock options subject to vesting upon the occurrence of a change of control and the closing price of the Shares on the TSXV (as defined below) on December 31, 2021, being \$0.41.

***Risks Associated with Compensation Policies and Practices***

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Committee assesses facts that discourage the Corporation's executives from taking unnecessary or excessive risk including: (i) the Corporation's operating strategy and related compensation philosophy; (ii) the effective balance, in each case, between cash and equity mix, near-term, and long-term focus, corporate and individual performance, and financial and non-financial performance; and (iii) the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives. Based on this review, the Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

***Financial Instruments***

The Corporation has not implemented any policies which restrict the NEOs or directors of the Corporation from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEOs or directors of the Corporation.

**2. Compensation Governance**

The Committee makes recommendations to the Board regarding the compensation to be provided to the executive officers and directors of the Corporation and, in doing so, receives input from the CEO of the Corporation, (in respect of all executive officers other than the CEO). With respect to directors' compensation, the Committee reviews the level and form of compensation received by the directors and the Chair of each committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to the Corporation. The compensation of directors and executive officers of competitors and peers are considered, to the extent publicly available, in determining compensation and the Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

The following table sets forth the name of each member of the Committee, whether they are independent and the relevant skills and experience of each member:

<b>Member</b>	<b>Independent</b>	<b>Relevant Skills and Experience</b>
Wade Felesky	Independent <sup>(1)</sup>	Mr. Felesky has a breadth of experience acquired throughout his business career in which he has addressed compensation matters for various companies' executive officers and directors.
Brian McGill	Independent <sup>(1)</sup>	Mr. McGill has a breadth of experience acquired throughout his business career which enables him to make effective decisions on the Corporation's compensation policies and practices.
Dean Swanberg	Independent <sup>(1)</sup>	Mr. Swanberg has a breadth of experience acquired throughout his business career in which he has addressed compensation matters for various companies' executive officers and directors.

**Note:**

(1) A member of the Committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

During the financial year ended December 31, 2021, the Committee did not retain an independent compensation consultant or advisor to assist in determining the compensation for the Corporation's directors and executive officers.

### **3. Option-Based Awards**

The process the Corporation follows in respect of the grant of option-based awards is set out under "Compensation Discussion and Analysis – Elements of the Compensation Program" above.

#### 4. Summary Compensation Table

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the NEOs for each of the Corporation's three most recently completed financial years:

Name and principal position	Year	Salary (\$)	Option- based awards <sup>(1)</sup> (\$)	Non-equity Incentive plans (\$)	All other compensation <sup>(2)</sup> (\$)	Total compensation (\$)
<b>Todd Ziniuk</b> <sup>(3)</sup> President and Chief Executive Officer	2021	247,154	---	---	13,536	260,390
	2020	193,016	106,861	---	18,890	318,767
	2019	234,924	8,419	---	17,053	260,396
<b>Amin Ladha</b> <sup>(4)</sup> Chief Financial Officer	2021	186,300	---	---	21,082	207,380
	2020	125,008	35,620	---	10,660	171,288
<b>James Leganchuk</b> <sup>(5)</sup> Chief Revenue Officer	2021	179,595	---	---	31,245	210,839
	2020	172,062	35,620	---	20,987	228,669
	2019	176,492	4,209	---	12,503	193,204

**Notes:**

- (1) The Corporation has calculated the grant date fair value of the option awards under the Stock Option Plan granted to the NEOs using the Black-Scholes model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing stock options. During the financial year ended December 31, 2019, stock options were granted at an exercise price of \$0.15. During the financial year ended December 31, 2020, stock options were granted at an exercise price of \$0.15. During the financial year ended December 31, 2021, no stock options were granted to the NEOs. The Black-Scholes assumptions relied upon by the Corporation in respect of stock options granted to the NEOs on December 8, 2020; May 28, 2020 and March 28, 2019 were:

	December 8, 2020	May 28, 2020	March 28, 2019
Expected annual dividend	\$0.00	\$0.00	\$0.00
Expected volatility	171.3%	144.9%	87.5%
Risk free interest rate	0.31%	0.29%	1.47%
Expected life (years)	2.71	3	3

- (2) Unless otherwise noted, the value of perquisites and benefits for each NEO is less than \$50,000 and less than 10% of each NEO's total salary for the financial year ended December 31, 2021.
- (3) Mr. Ziniuk was appointed Chief Executive Officer on July 1, 2019 in addition to his role as President having been appointed to that role on October 16, 2018. Prior to that, Mr. Ziniuk was the Chief Operating Officer from December 26, 2016 until July 1, 2019.
- (4) Mr. Ladha was appointed CFO on April 10, 2020.
- (5) Mr. Leganchuk was appointed Chief Revenue Officer on April 5, 2022. Prior to that, Mr. Leganchuk was the Chief Operating Officer from July 1, 2021 until April 4, 2022 and Vice President Operations from February 11, 2018 until June 30, 2021.

## 5. Incentive Plan Awards

### *Outstanding Option-Based Awards*

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2021 to the NEOs of the Corporation:

<b>Name</b>	<b>Number of Securities Underlying unexercised options (#)</b>	<b>Option exercise price<sup>(1)</sup> (\$)</b>	<b>Option Expiration date</b>	<b>Value of unexercised in-the-money options (\$)</b>
Todd Ziniuk	100,000	0.15	March 27, 2024	26,000
	900,000	0.15	May 27, 2025	234,000
Amin Ladha	300,000	0.15	May 27, 2025	78,000
James Leganchuk	50,000	0.15	March 27, 2024	13,000
	300,000	0.15	May 27, 2025	78,000

**Note:**

(1) Value is calculated based on the difference between the exercise price of the stock options and the closing price of the Shares of the Corporation on the TSXV on December 31, 2021, being \$0.41.

### *Value Vested or Earned During the Year*

The following table sets forth the value of incentive plan awards which vested during the Corporation's financial year ended December 31, 2021 for each NEO:

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Non-Equity incentive plan compensation – Value earned during the year (\$)</b>
Todd Ziniuk	46,333	Nil
Amin Ladha	15,000	Nil
James Leganchuk	15,667	Nil

**Note:**

(1) Represents the aggregate dollar value that would have been realized if the vested-in-the-money stock options under the option-based award had been exercised on the vesting date in 2021 based on the difference between the closing market price on the TSXV of the Shares on the vesting date and the exercise price of the stock options held.

## 6. Pension Plan Benefits

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement. The Corporation does not have a deferred compensation plan.

## 7. Director Compensation

Effective January 1, 2019 an annual retainer for the non-management directors was set at \$10,000 per year, inclusive of all committee and board meeting fees. The annual retainer for the Chair of the Board was set at \$7,500 in addition to the annual retainer paid to the non-management directors. The annual retainer for the Chair of the Audit Committee was set at \$5,000, in addition to the annual retainer paid to the non-management directors. The annual retainer for the Chair of the Corporate Governance, Nominating and Compensation Committee was set a \$5,000, in addition to the annual retainer paid to the non-management directors. Miscellaneous out-of-pocket expenses incurred by the non-management directors in carrying out their duties are reimbursed by the Corporation.

Effective October 1, 2019, all fees to be paid to non-management directors were suspended until further notice.

Effective January 1, 2021, an annual retainer for the non-management directors was set at \$15,000 per year, inclusive of all committee and board meeting fees. No additional annual retainers were set for the Chair of the Board, the Chair of the Audit Committee and the Chair of the Corporate Governance, Nominating and Compensation Committee. Miscellaneous out-of-pocket expenses incurred by the non-management directors in carrying out their duties are reimbursed by the Corporation.

Effective January 1, 2022 an annual retainer for the non-management directors was set at \$25,000 per year, inclusive of all committee and board meeting fees. The annual retainer for the Chair of the Board, the Chair of the Audit Committee and the Chair of the Corporate Governance, Nominating and Compensation Committee was set at \$10,000 in addition to the annual retainer paid to the non-management directors. Miscellaneous out-of-pocket expenses incurred by the non-management directors in carrying out their duties are reimbursed by the Corporation.

#### *Minimum Share Ownership for Non-Management Directors*

The Board believes that the economic interests of non-management directors of Zedcor Inc. should be aligned with those of Shareholders. On November 16, 2021, the Board approved minimum share ownership guidelines for the non-management directors be set effective January 1, 2022 so that each non-management director be required to own shares in Zedcor equivalent to three times the base annual retainer paid to such director effective January 1, 2022 within 45 days outside of a trading blackout period from January 1, 2022, or within 45 days outside of a trading blackout period that the director was elected or appointed.

For clarity, effective January 1, 2022, the base annual retainer for non-management directors, was set at \$25,000, therefore the current non-management directors will be required to own shares in Zedcor with a value of \$75,000 of market value or cost of purchase to meet the minimum shareholding requirement in the time period set forth above.

The minimum share ownership requirement is met if the requisite value of the Common Shares to be owned by the non-management director is reached before or during the applicable period notwithstanding that the value of such Common Shares owned may subsequently fall below the minimum share ownership requirements due to a decrease in the market price of the Common Shares during the applicable period.

Name	Date Elected or Appointed to the Board	Common Shares Beneficially Owned at May 25, 2022	Total Market Value of Common Shares Owned <sup>(1)</sup> (\$)	Minimum Shareholding Requirements (\$)	Meets Requirements <sup>(2)</sup>
Wade Felesky	September 17, 2020	494,500	192,855	75,000	Yes
Brian McGill	June 19, 2018	180,000	70,200	75,000	Yes <sup>(3)</sup>
Dean Shillington	April 27, 2017	6,508,435	2,538,290	75,000	Yes
Dean Swanberg	April 27, 2017	23,800,000	9,282,000	75,000	Yes

#### **Notes:**

- (1) Based on May 25, 2022 closing share price on the TSXV of \$0.39 per Common Share.
- (2) The minimum share ownership requirement is met if the requisite value of the Common Shares to be owned by the non-management director is reached before or during the applicable period notwithstanding that the value of such Common Shares owned may subsequently fall below the minimum share ownership requirements due to a decrease in the market price of the Common Shares during the applicable period.
- (3) The closing price of the Common Shares on the TSXV on April 29, 2022 was \$0.45. Accordingly, Mr. McGill met the minimum shareholding requirement at that time.

### Summary Compensation

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the financial year ended December 31, 2021:

Name	Fees Earned <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	All other compensation (\$)	Total (\$)
Wade Felesky	16,500	17,925	Nil	34,425
Brian McGill	16,500	Nil	Nil	16,500
Dean Shillington	15,000	Nil	Nil	16,500
Dean Swanberg	16,500	Nil	Nil	16,500

**Notes:**

(1) For additional information, please refer to the disclosure under “Statement of Executive Compensation – Director Compensation.”

(2) The Corporation has calculated the grant date fair value of the option awards under the Stock Option Plan granted to the directors using the Black-Scholes model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing stock options. During the financial year ended December 31, 2020, stock options were granted to the directors who were not NEOs at an exercise price of \$0.15. During the financial year ended December 31, 2021, stock options were granted to Mr. Felesky at an exercise price of \$0.305. The Black-Scholes assumptions relied upon by the Corporation in respect of stock options granted during the financial year ended December 31, 2021 to such directors were: (i) expected annual dividend \$0.00; (ii) expected volatility 170.8%; (iii) risk free interest rate 0.53%; and (iv) expected life of stock options of 2.68 years.

### Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the Corporation’s financial year ended December 31, 2021 to the directors of the Corporation:

Name	Number of securities underlying unexercised Options (#)	Exercise price of Options (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Wade Felesky	150,000	0.15	December 7, 2025	39,000
	150,000	0.305	August 24, 2026	15,750
Brian McGill	75,000	0.15	December 7, 2025	19,500
Dean Shillington	75,000	0.25	May 17, 2022	12,000
	75,000	0.15	December 7, 2025	19,500
Dean Swanberg	50,000	0.15	December 7, 2025	13,000

**Note:**

(1) Value is calculated based on the difference between the exercise price of the stock options and the closing price of the Shares on the TSXV on December 31, 2021, being \$0.41.

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

The following table sets forth the value of incentive plan awards which vested during the financial year ended December 31, 2021. The directors of the Corporation did not receive share-based awards or non-equity incentive plan compensation.

<b>Name</b>	<b>Option-based awards value vested during year (\$)<sup>(1)</sup></b>
Wade Felesky	11,500
Brian McGill	10,250
Dean Shillington	5,750
Dean Swanberg	5,750

**Note:**

(1) Represents the aggregate dollar value that would have been realized if the vested-in-the-money stock options under the option-based award had been exercised on the vesting date in 2021 based on the difference between the closing market price on the TSXV of the Shares on the vesting date and the exercise price of the stock options held.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides details as at December 31, 2021 with respect to all compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></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 herein)<sup>(2)</sup></b>
Equity compensation plans approved by security holders	3,150,000	\$0.17	2,679,994
Equity compensation plans not approved by security holders	Nil	N/A	N/A
<b>Total</b>	<b>3,150,000</b>	<b>\$0.17</b>	<b>2,679,994</b>

**Notes:**

(1) The Stock Option Plan was most recently approved by the Shareholders on September 21, 2021.

(2) The Stock Option Plan reserves for issuance that number of Shares equal to 10% of the Corporation's outstanding Shares, from time to time.

**MATTERS TO BE CONSIDERED AT THE MEETING**

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

**1. Financial Statements**

At the Meeting, Shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2021 and the auditors' report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

## 2. Fixing Number of Directors to be Elected at the Meeting

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).

**Unless otherwise directed, it is the intention of the management designees, if designated in the accompanying form of proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).** In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at four (4) must be passed by a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

## 3. Election of Directors

At the Meeting it is proposed that four (4) directors be elected to hold office until the next annual meeting or until their successors are elected or appointed. There are presently four (4) directors of the Corporation, the term of each of which expires at the Meeting.

**Unless otherwise directed, it is the intention of the management designees, if designated in the accompanying form of proxy, to vote in favour of the election as directors of the four (4) nominees hereinafter set forth.** Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the Shareholder has specified in the accompanying form of proxy that such Shareholder's Shares are to be withheld from voting on the election of directors.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, their province and country of residence, their principal occupation, the period served as a director and the number of voting Shares that each proposed nominee beneficially owns, or exercises control or direction over, directly or indirectly, as of the Record Date. The information as to Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

Name and Province and Country of Residence	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Wade Felesky <sup>(1)(2)</sup> Alberta, Canada	Mr. Felesky was appointed Chair of the Board of the Corporation on June 1, 2021 and is currently the President and a member of the Board of Directors of New Stratus Energy Inc., an international oil and gas company. Prior thereto, Mr. Felesky was the head of Investment Banking at Laurentian Bank Securities Inc. having joined the firm in 2016 as Head of Oil & Gas Investment Banking. Previously he was Co-Head of Energy Investment Banking at GMP Securities L.P. Mr. Felesky has over 20 years of Investment Banking and business experience. He has a wealth of experience in all aspects of corporate finance, and has advised and acted for both domestic and international issuers. Mr. Felesky is highly involved in his community and was selected by the Globe and Mail as one of Canada's "Top 40 under 40" in 2008.	September 2020	494,500

Name and Province and Country of Residence	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
<b>Brian McGill</b> <sup>(1)(2)</sup> Alberta, Canada	<p>Mr. McGill has been a Partner at Stawowski McGill, since 2009 and with the firm since 2000, a company which provides advisory services which includes corporate finance, structure, leadership and culture, to growing businesses. Prior thereto, Chief Financial Officer of a private group of oil services companies from 1993 to 2000, which was built up then sold to a large Canadian drilling contractor. Mr. McGill is a CPA, CA and has over 30 years of practical experience in corporate growth, acquisition strategies, and financial management of local and foreign subsidiaries in the US, South America, and the Caribbean. Mr. McGill is also a part time instructor of business finance at the University of Calgary.</p>	June 2018	180,000 <sup>(3)</sup>
<b>Dean Shillington</b> <sup>(1)</sup> British Columbia, Canada	<p>Mr. Shillington is the Founder, President and Chief Executive Officer of Knightsbridge Capital Group which provides specialized lending, equity and advisory solutions, since 2007 and Founder and Chief Executive Officer of Maynbridge Capital Inc. since January 2013. Mr. Shillington has extensive experience as an entrepreneur and in business development and commercial finance. He spent several years at GE Capital in various capacities, including risk and business management roles. Mr. Shillington has a degree in Finance and Marketing from the University of Saskatchewan. He currently serves on the Board of Directors of a number of private companies which operate in the industrial, consumer services and charitable sectors.</p>	April 2017	6,508,435 <sup>(4)(5)</sup>

Name and Province and Country of Residence	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
<b>Dean Swanberg</b> <sup>(2)</sup> Alberta, Canada	Mr. Swanberg is an independent businessman. Mr. Swanberg was Chair of the Board from September 17, 2020 until June 1, 2021. Prior thereto, Mr. Swanberg was the Interim Chief Executive Officer of the Corporation from May 25, 2018 until July 1, 2019. Prior thereto, Mr. Swanberg was the President of Zedcor Oilfield Rentals Ltd. from April 2011 until the acquisition of Zedcor Oilfield Rentals Ltd. by Canadian Equipment Rentals Corp. on February 2, 2016. Mr. Swanberg was also the President of Swanberg Bros. Trucking LP, one of the largest transporters of drilling rigs in Western Canada, from May 2005 until October 2010 and has over 35 years' experience in the transportation and logistics side of oil and gas development. Mr. Swanberg also served as a director at Horizon North Logistics Inc. from June 2006 to April 2015 and as a director of Safebrain Systems, Inc. from November 2012 to September 2014.	April 2017	23,800,000 <sup>(6)</sup>

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance, Nominating and Compensation Committee.
- (3) Mr. McGill also holds 40,000 Warrants to purchase Shares.
- (4) Mr. Shillington has direct control over 108,300 Shares; control or direction over 2,658,376 Shares registered in the name of Knightsbridge Capital Group Trust; 1,741,759 Shares registered in the name of Knightsbridge Capital Partners Inc. and 2,000,000 Shares registered in the name of Maynbridge Capital Inc.
- (5) Mr. Shillington also has control or direction over 4,744,905 Warrants to purchase Shares held by Maynbridge Capital Inc.
- (6) Mr. Swanberg has direct control over 1,600,000 Shares and has control or direction over 22,200,000 Shares registered in the name of D.S.S. Holdings Inc., a private Alberta corporation controlled by Mr. Swanberg.

The directors listed above will hold office until the next annual meeting of the Corporation or until their successors are elected or appointed.

*Corporate Cease Trade Orders*

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the company access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

*Bankruptcies*

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### *Personal Bankruptcies*

None of the persons who are proposed directors of the Corporation have, within the past ten years 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 his assets.

### *Penalties and Sanctions*

None of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

## **4. Appointment of Auditor**

At the Meeting, the Shareholders will consider an ordinary resolution to appoint the firm of MNP LLP (“MNP”), Chartered Professional Accountants, to serve as auditor of the Corporation until the next annual meeting of the Shareholders and to authorize the directors of the Corporation to fix their remuneration. Effective October 8, 2021, the Board appointed MNP as the Corporation’s auditor for the remainder of the 2021 fiscal year following the requested resignation of the Corporation’s previous auditor, KPMG LLP (“KPMG”). Additional documents related to the change of auditor, including the notice of change of auditor and the acknowledgements of that notice by MNP and KPMG, are set out in Schedule “B” to this Information Circular and are available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). In connection with the change in auditor, there were no “reportable events” within the meaning of NI 51-102.

At the Meeting, Shareholders will be asked to pass a resolution appointing MNP LLP, Chartered Professional Accountants, of Calgary, Alberta as the auditor of the Corporation.

**Unless otherwise directed, it is the intention of the management designees, if designated in the accompanying form of proxy, to vote in favour of a resolution appointing MNP LLP, Chartered Professional Accountants, as auditor for the Corporation for the next ensuing year, to hold office until the close of the next annual meeting of Shareholders or until MNP LLP, Chartered Professional Accountants, are removed from office or resign as provided by the Corporation’s by-laws, at a remuneration to be fixed by the Board.** MNP LLP was first appointed the auditor of the Corporation by the Board on October 8, 2021.

## **5. Confirmation of Stock Option Plan**

To remain in compliance with the policies of the TSX Venture Exchange (the “TSXV”), which require annual Shareholder approval of 10% rolling stock option plans, the Corporation will be presenting to the Shareholders for approval the Stock Option Plan in the form attached as Schedule “C” which was most recently approved by the Shareholders on September 21, 2021.

The aggregate number of Shares issuable upon the exercise of all stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Shares of the Corporation from time to time. Rolling 10% option plans such as the Stock Option Plan require annual Shareholder approval. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Shares, thereby increasing their proprietary interest in and encouraging them to remain associated with the Corporation. The Stock Option Plan is administered by the Board and all stock options granted thereunder are subject to the rules and policies of the TSXV.

The exercise price of the Shares subject to each option shall be determined by the Board but in no event shall such exercise price be lower than the exercise price permitted by the TSXV. Disinterested shareholder approval is required when decreasing the exercise price or extending the term of options granted to insiders (as defined under

applicable Canadian securities laws, “**Insiders**”) of the Corporation. The maximum aggregate number of Shares pursuant to all security based compensation granted or issued to Insiders (as a group) must not exceed 10% of the Issued Shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested Shareholder approval). The maximum aggregate number of Shares of the Corporation that are issuable pursuant to all security based compensation granted or issued in any 12 month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares of the Corporation, calculated as at the date any security based compensation is granted or issued to any Insider (unless the Corporation has obtained the requisite disinterested Shareholder approval). The maximum aggregate number of Shares of the Corporation that are issuable pursuant to all security based compensation granted or issued in any 12 month period to any one Participant must not exceed 5% of the Shares of the Corporation, calculated as at the date any security based compensation is granted or issued to the Participant, (unless the Corporation has obtained the requisite disinterested Shareholder approval). The number of Option Shares that may be reserved for allotment to all Participants employed to provide investor relations activities pursuant to Options in any 12 month period must not exceed 2% of the issued and outstanding Shares. Stock options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares in any 12 month period to any one consultant of the Corporation. Options granted to Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the Options vesting in any 3 month period and a condition that such Options will expire 30 days after the Optionee ceases to be employed to provide investor relations activities. The maximum term of any stock options granted may not exceed five years. If the Shares are increased, decreased or changed through reorganization, merger, recapitalization, reclassification, share dividend, subdivision or consolidation, an appropriate adjustment shall be made by the Board in the number of Shares optioned and the exercise price per Share.

As of the date hereof: (i) the Corporation has issued under the Stock Option Plan, stock options pursuant to which 3,300,000 Shares are issuable, which represents approximately 4.65% of the currently outstanding Shares; and (ii) there remains for issuance under the Stock Option Plan, stock options pursuant to which 3,789,226 Shares may be issued, which represents approximately 5.35% of the currently outstanding Shares.

At the Meeting, Shareholders will be asked to pass an ordinary resolution as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the shareholders of Zedcor Inc. that:

1. the stock option plan of Zedcor Inc. (the “**Corporation**”), substantially in the form attached as Schedule “C” (the “**Option Plan**”) to the management information circular of the Corporation dated August 9, 2022, be and is hereby confirmed as the stock option plan of the Corporation and, the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
2. all issued and outstanding stock option previously granted are hereby continued under and governed by the Option Plan; and
3. any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

**Unless otherwise directed, it is the intention of the management designees, if designated in the accompanying form of proxy, to vote in favour of the ordinary resolution approving the Stock Option Plan. In order for the foregoing ordinary resolution to be passed, it must be approved by a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting.**

## 6. Other Business

Management is not aware of any other matters to come before the Meeting, other than those set out in the notice of Meeting. If other matters come before the Meeting, **it is the intention of the management designees, if designated in the accompanying form of proxy, to vote the same in accordance with their best judgment in such matters.**

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is a proposed director, a current or former director, executive officer or employee of the Corporation or any subsidiary, or any associate thereof is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries or was indebted to another entity, which such indebtedness is, or was at the time during the most recently completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate of any “informed person” or proposed director, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, other than as set forth below:

On June 30, 2021, the Corporation sold the assets of its Rentals Segment to a company controlled by Dean Shillington, a director of the Corporation, for gross proceeds of \$11.3 million.

On February 25, 2022, the Corporation received notice from D.S.S. Holdings Inc., a private Alberta corporation controlled by Dean Swanberg, a director of the Corporation and the Corporation’s largest shareholder, of its election to convert all of the outstanding Series 1 Preferred Shares it holds, being 4,400,000 Series 1 Preferred Shares, into 4,400,000 Common Shares (the “**Conversion Shares**”) of the Corporation (the “**Preferred Share Conversion**”) at the stated conversion price pursuant to the terms of the Series 1 Preferred Shares of \$0.70 per Common Share. The Preferred Share Conversion was completed on April 7, 2022.

In addition, in respect of the cumulative dividend payable on the Series 1 Preferred Shares in the amount of approximately \$1.44 million, the Corporation issued 2,883,386 Common Shares (the “**Dividend Shares**”) at a deemed price per Dividend Share of \$0.50.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

**INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON**

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2021. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by contacting the Corporate Secretary of the Corporation at 300, 151 Canada Olympic Road SW, Calgary, Alberta T3B 6B7, or by accessing the Corporation's website at [www.zedcor.ca](http://www.zedcor.ca).

**SCHEDULE "A"**

**ZEDCOR INC.  
(the "CORPORATION")**

**AUDIT COMMITTEE DISCLOSURE**

**1. Audit Committee Charter**

Purpose

The primary function of the Audit Committee (the "Committee") of the Board of Directors of the Corporation (the "Board") is to assist the Board in fulfilling its oversight responsibilities by reviewing:

1. the financial information that will be provided to the shareholders and others;
2. the systems of internal controls, management and the Board have established; and
3. all audit processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board.

Composition

4. The Committee shall be composed of a minimum of three directors, a majority of whom shall be independent as that term is defined in National Instrument 52-110 - *Audit Committees*, to serve at the pleasure of the Board.
5. The Chair of the Committee shall be appointed by the Board.
6. All members of the Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement 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 Corporation's financial statements.

Meetings

7. The Chair shall, in consultation with management and the external auditor, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
8. The Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chair and one of its other members. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.
9. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

Duties and Responsibilities of the Committee

10. The Committee reviews, prior to their presentation to the Board and their release, all material financial information required by securities regulations.
11. The Committee enquires about potential claims, assessments and other contingent liabilities.
12. The Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.

Authority

13. Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board. The Committee is a standing committee of the Board established to assist it in fulfilling its responsibilities in this regard. The Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Committee to ensure that management has done so.
14. The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
15. The Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.
16. The Committee shall have the sole authority to retain (or terminate) advisors or consultants as it determines necessary to assist the Committee in discharging its functions hereunder. The Committee shall be provided with the necessary funding to compensate the advisors or consultants retained by the Committee.

Relationship and External Auditors

17. An external auditor must report directly to the Committee.
18. The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.
19. The Committee shall implement structures and procedures to ensure that it meets with the external auditor on a regular basis in the absence of management.

Accounting Systems, Internal Controls and Procedures

20. The Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
21. The Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
22. The Committee shall review with the external auditor the quality and not just the acceptability of the Corporation's accounting principles and direct the external auditor's examinations to particular areas.

23. The Committee will review control weaknesses identified by the external auditors, together with management's response and review with external auditors their view of the qualifications and performance of the key financial and accounting executives.
24. In order to preserve the independence of the external auditor, the Committee will:
  - (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
  - (b) recommend to the Board the compensation for the external auditors' engagement; and
  - (c) review and pre-approve any engagements for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees, and consider the impact, if any, on the independence of the external auditor.
25. The Committee will review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
26. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
27. The Committee shall establish a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under National Instrument 52-108 - *Auditor Oversight*.
28. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

#### Statutory and Regulatory Responsibilities

29. Annual Financial Information - review the annual audited financial statements, including Letter to Shareholders and related press releases and recommend their approval to the Board, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
30. Annual Report - review the management discussion and analysis ("MD&A") section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.
31. Interim Financial Statements - review the quarterly interim financial statements, including the Letter to Shareholders and related press releases and recommend their approval to the Board.
32. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.
33. In addition, the Committee must review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information.

#### Reporting

34. The Committee will report, through the Chair of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee, and report annually to the Board on the Committee's responsibilities and how it has discharged them.

35. In addition, the Committee will review and reassess this Committee Charter annually and recommended any proposed changes to the Board of Directors for approval.

**2. Composition of the Audit Committee:**

During the year ended December 31, 2021 the Audit Committee of the Corporation was composed of the following individuals:

Brian McGill	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Wade Felesky	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Dean Shillington	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

**Notes:**

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issued that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

**3. Relevant Education and Experiences**

Mr. McGill is the Chair of the Audit Committee. Mr. McGill has been a Partner at Stawowski McGill since 2009 and with the firm since 2000. Stawowski McGill provides advisory services, which includes corporate finance, structure, leadership and culture, to growing businesses primarily in the oil and gas services and manufacturing sector. Prior thereto, Mr. McGill was the Chief Financial Officer of a private group of oil services companies from 1993 to 2000, which was built up then sold to a large Canadian drilling contractor. Mr. McGill is a CPA, CA and has over 30 years of practical experience in corporate growth, acquisition strategies, and financial management of local and foreign subsidiaries in the US, South America, and the Caribbean. Mr. McGill is also a part time instructor of business finance at the University of Calgary.

Mr. Felesky was appointed Chair of the Board of the Corporation on June 1, 2021 and is currently the President of New Stratus Energy Inc., an international oil and gas company. Prior thereto, Mr. Felesky was the head of Investment Banking at Laurentian Bank Securities Inc. having joined the firm in 2016 as Head of Oil & Gas Investment Banking. Previously he was Co-Head of Energy Investment Banking at GMP Securities L.P. Mr. Felesky has over 20 years of Investment Banking and business experience. He has a wealth of experience in all aspects of corporate finance, and has advised and acted for both domestic and international issuers.

Mr. Shillington has a breadth of experience as President, Chief Executive Officer and Founder of Knightsbridge Capital Group which provides specialized lending, equity and advisory solutions since 2007 and as Chief Executive Officer of Maynbridge Capital Corp. since March 2013. He holds a degree in Finance and Marketing from the University of Saskatchewan. Mr. Shillington serves on the board of directors of a number of private companies which operate in the industrial, consumer services and charitable sectors.

**4. Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

**5. Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110, the exemptions in subsections 6.1.1(4) to (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## 6. Pre-Approval Policies and Procedures

The Audit Committee Charter requires that the Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.

## 7. External Auditor Service Fees

Effective October 8, 2021, the Board appointed MNP as the Corporation's auditor for the remainder of the 2021 fiscal year following the requested resignation of the Corporation's previous auditor, KPMG LLP ("KPMG").

The following table provides information about fees paid to KPMG and its affiliates for professional services rendered by KPMG, Zedcor's prior external auditor for the financial period January 1, 2020 to and including October 7, 2021.

Period Ended	Audit Fees <sup>(1)</sup>	Audit Related Fees	Tax Fees	All Other Fees
October 7, 2021	--	--	--	\$3,745 <sup>(2)</sup>
Financial Period ended December 31, 2020	\$80,250	--	--	\$8,667

**Note:**

- (1) The aggregate audit fees billed and accrued.  
(2) Includes fees relating to the change in auditor.

The following table provides information about fees paid to MNP and its affiliates for professional services rendered by MNP, Zedcor external auditor for the financial period October 8, 2021 to and including December 31, 2021.

Period Ended	Audit Fees <sup>(1)</sup>	Audit Related Fees	Tax Fees	All Other Fees
Financial Period ended December 31, 2021	\$55,000	--	--	--

**Note:**

- (1) The aggregate audit fees billed and accrued.

## 8. Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 pertaining to reporting obligations under NI 52-110.

SCHEDULE "B"

CHANGE OF AUDITOR REPORT PACKAGE



NOTICE OF CHANGE OF AUDITOR

**TO: Alberta Securities Commission  
British Columbia Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Ontario Securities Commission**

**Cc: KPMG LLP  
MNP LLP**

Pursuant to Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**"), Zedcor Inc. (the "**Corporation**") gives the following notice that:

- a. On October 8, 2021, KPMG LLP (the "**Former Auditor**") resigned as the auditor of the Corporation at the Corporation's request;
- b. The Board of Directors has accepted the resignation of the Former Auditor;
- c. The Corporation has appointed MNP LLP (the "**Successor Auditor**") as the auditor of the Corporation. The Board of Directors has considered and approved the appointment of the Successor Auditor subject to all applicable regulatory requirements;
- d. There were no modifications of opinion by the Former Auditor in the Former Auditor's reports on the consolidated financial statements of the Corporation and its subsidiaries for the years ended December 31, 2020 and December 31, 2019; and
- e. In connection with the audits for the years ended December 31, 2020 and December 31, 2019 and with any subsequent period to date, there have been no reportable events including disagreements, consultations or unresolved issues, as defined in Section 4.11 of NI 51-102.

Dated this 8th day of October 2021

**ZEDCOR INC.**

*"Signed Amin Ladha"*

Amin Ladha  
Chief Financial Officer



KPMG LLP  
205 5th Avenue SW  
Suite 3100  
Calgary AB T2P 4B9  
Tel (403) 691-8000  
Fax (403) 691-8008  
www.kpmg.ca

Alberta Securities Commission  
British Columbia Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission

October 8, 2021

Dear Sir/Madam

**Re: Notice of Change of Auditors of Zedcor Inc.**

We have read the Notice of Zedcor Inc. October 8, 2021 and are in agreement with the statements contained in such Notice.

Yours very truly,

KPMG LLP

Chartered Professional Accountants

October 8, 2021

TO: Alberta Securities Commission  
British Columbia Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Ontario Securities Commission

(and to the Board of Zedcor Inc.)

Dear Sirs/Madams:

**Re: Zedcor Inc.**

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor of Zedcor Inc. dated October 8, 2021 (“the **Notice**”) and, based on our knowledge of such information at this time, we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to KPMG LLP.

Yours very truly,

A handwritten signature in black ink that reads 'MNP LLP' in a cursive, stylized font.

Chartered Professional Accountants  
Calgary, Alberta

**SCHEDULE "C"**

**STOCK OPTION PLAN  
ZEDCOR INC.**

**INCENTIVE STOCK OPTION PLAN**

**1. INTERPRETATION**

In this Plan (including this clause), unless there is something in the subject or context inconsistent therewith, words importing the singular number includes the plural and vice versa, words importing the masculine gender includes the feminine and neuter genders and the expressions following have the following meanings, respectively:

- (a) **"Associate"** has the meaning ascribed thereto in the Securities Act;
- (b) **"Board"** means the Board of Directors of the Corporation;
- (c) **"Committee"** means a committee of Directors appointed by the Board as contemplated by Clause 3 hereof;
- (d) **"Common Share"** means a voting common share in the capital stock of the Corporation as constituted at October 1, 2011, and, after any adjustments pursuant to Clause 7 hereof, means the shares or other securities or property which, as a result of such adjustments and all prior adjustments pursuant to Clause 7, the holders of Options are then entitled to receive on the exercise thereof;
- (e) **"Consultant"** means an individual or company other than an employee or a director of the Corporation that is engaged to provide on an ongoing basis consulting, technical or management or other services to the Corporation under a written contract and spends a significant amount of time and attention on the affairs of the Corporation such that they are knowledgeable about the business and affairs of the Corporation;
- (f) **"Corporation"** means Zedcor Inc. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (g) **"Early Termination Date"** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date that an Option terminates prior to the Normal Expiry Date;
- (h) **"Expiry Date"** means the Normal Expiry Date or the Early Termination Date, as the case may be;
- (i) **"Insider"** has the meaning ascribed thereto in the Securities Act;
- (j) **"Market Price"** at any date and in respect of an Option, means:
  - (i) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board or Committee, as the case may be, on the Option Date; or
  - (ii) where the Common Shares are listed and posted for trading on a stock exchange, either:
    - A. the closing price of the Common Shares on the principal stock exchange on which they are traded on the last business day preceding the Option Date; or

- B. if the Common Shares did not trade on the last business day preceding the Option Date, the average of the bid and ask prices in respect of the Common Shares at the close of trading on such date on the principal stock exchange on which the Common Shares are listed and posted for trading;
- (k) **“Normal Expiry Date”** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date determined by the Corporation and specified in the particular Option Agreement on which the Option would normally terminate, which date may not be later than five years after the Option Date;
- (l) **“Option”** means a right to purchase Common Shares pursuant to the Plan and an Option Agreement;
- (m) **“Option Agreement”** means an agreement entered into between the Corporation and a Participant pursuant to which an Option is granted to a Participant and which contains such provisions not inconsistent with the Plan as the Board or the Committee may determine;
- (n) **“Option Date”** means the date on which an Option is granted by the Corporation to a Participant which for greater certainty is the date on which the grant of the Option is approved by the Board or the Committee, as the case may be;
- (o) **“Option Shares”** means the Common Shares which a Participant is entitled to purchase under an Option whether or not the rights to purchase all such Common Shares have vested in and to the Optionee;
- (p) **“Optionee”** means a Participant who has entered into an Option Agreement with the Corporation;
- (q) **“Participant”** means, on any date, a person who is at least one of the following:
- (i) a person who is bona fide regularly employed by the Corporation or one of its subsidiaries on that date;
  - (ii) an officer of the Corporation or one of its subsidiaries on that date;
  - (iii) a director of the Corporation or one of its subsidiaries on that date;
  - (iv) a bona fide Consultant or advisor to the Corporation or one of its subsidiaries on that date; or
  - (v) to a corporation, the shares of which are wholly owned by a person described in subclause (i), (ii), (iii) or (iv);
- (r) **“Plan”** means the Corporation’s “Incentive Stock Option Plan” embodied herein, as from time to time amended;
- (s) **“Prior Plan”** means the Unit Option Plan of Canadian Equipment Rental Fund Limited Partnership effective May 12, 2005, as amended by Amendment No. 1 effective September 21, 2010;
- (t) **“Purchase Price”** means the purchase price of Option Shares under an Option Agreement determined as provided in subclause 6(b) of this Plan; and
- (u) **“Securities Act”** means the Securities Act (Alberta), as amended.

## **2. PURPOSE OF THE PLAN**

The purpose of the Plan is to develop the interest of Optionees in the growth and development of the Corporation by providing such persons with the incentive and opportunity to acquire an increased proprietary interest in the Corporation and to better enable the Corporation and its subsidiaries to attract and retain persons of desired experience and ability.

## **3. ADMINISTRATION, PARTICIPANTS AND ALLOTMENTS**

- (a) The Board will administer the Plan. The Board may at any time or from time to time delegate to a Committee the responsibility for administering the Plan or elements thereof. The Board, or the Committee if so empowered, will determine from time to time those Participants to whom Options should be granted, the Normal Expiry Date, the number of Common Shares which should be optioned from time to time to any Participant, the Purchase Price and such other terms and conditions of the Option Agreement, not inconsistent with the Plan, as the Board or the Committee in its discretion may determine. The Board or the Committee may prescribe rules and regulations relating to the Plan and any Options granted hereunder and may approve the form and content and prescribe the use of such forms of applications, directions, powers of attorney, and other documents or instruments, either generally or in specific cases, as may be deemed necessary or advisable, for the grant or issuance of Options under the Plan and for the proper administration and operation of the Plan. The Board or the Committee will review the Plan from time to time with a view to making revisions to it, granting additional Options and, in the case of the Committee, making appropriate recommendations to the Board. Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board or by the Committee constitutes an Option hereunder. An Option granted by the Board or the Committee to a Participant pursuant to the Plan is subject to, and is of no force and effect until, the execution and delivery of, an Option Agreement by both the Corporation and such Participant.
- (b) The Corporation is responsible for all costs of administration of the Plan.
- (c) The implementation of the Plan, the grant or exercise of any Options pursuant to the Plan and, from time to time, the operation and administration of the Plan is subject to receipt by the Corporation of all necessary approvals, advance rulings, exemptions or registrations required or deemed advisable under applicable law or regulatory policy including without limiting the generality of the foregoing, all necessary approvals or registrations required by any and all stock exchanges upon which the Common Shares are listed and posted for trading.
- (d) The Board or the Committee, as the case may be, may at any time and subject to regulatory approvals:
  - (i) discontinue or terminate the Plan; or
  - (ii) amend or revise the terms and conditions of the Plan and any outstanding Options granted under the Plan,

provided that no such action adversely affects any Options previously granted under the Plan or the rights of Optionees in respect of those Options without the prior written consent or agreement of those Optionees. Disinterested shareholder approval will be obtained for any reductions in the exercise price of or extensions to the term of Options held by Insiders.

## **4. COMMON SHARES SUBJECT TO PLAN**

- (a) The Corporation reserves for issuance that number of Common Shares equal to 10% of the Corporation's outstanding Common Shares from time to time, for the purposes of issuance pursuant to the exercise of outstanding Options granted to the Participants pursuant to the Plan.

In no event may the number of Option Shares issued under the Plan exceed the total number of Common Shares reserved for issuance hereunder.

- (b) the maximum aggregate number of Common Shares pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the Issued Shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested Shareholder approval).
- (c) the maximum aggregate number of Common Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to any Insider (unless the Corporation has obtained the requisite disinterested Shareholder approval).
- (d) the maximum aggregate number of Common Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Participant must not exceed 5% of the Common Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Participant, (unless the Corporation has obtained the requisite disinterested Shareholder approval).
- (e) The number of Option Shares that may be reserved for allotment to any one Consultant of the Corporation (or any of its subsidiaries) pursuant to Options in any 12 month period must not exceed 2% of the issued and outstanding Common Shares.
- (f) The number of Option Shares that may be reserved for allotment to all Participants employed to provide investor relations activities pursuant to Options in any 12 month period must not exceed 2% of the issued and outstanding Common Shares. Options granted to Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any 3 month period and a condition that such Options will expire 30 days after the Optionee ceases to be employed to provide investor relations activities.

For the purposes hereof, the number of issued and outstanding Common Shares is determined as the number of Common Shares that are issued and outstanding immediately prior to a proposed grant of Options excluding Common Shares issued pursuant to share compensation arrangements during the preceding one-year period.

## **5. PARTICIPATION VOLUNTARY**

Participation in the Plan by a Participant is entirely voluntary and does not affect the Participant's employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. None of the Plan or any Options granted under the Plan of itself gives any Participant the right to continue to be an employee, officer, director or consultant of the Corporation or any subsidiary thereof. None of the terms and conditions governing the Option are affected by any change in the Optionee's employment by or engagement with the Corporation so long as the Optionee continues to be a Participant.

## **6. CERTAIN TERMS OF OPTION AGREEMENTS**

In order to constitute a valid Option granted under this Plan, the Optionee and the Corporation must enter into an Option Agreement in the form acceptable to the Board or the Committee, as the case may be.

An Option Agreement may, in respect of any Option, specify a number or percentage of Option Shares that the Participant may exercise in any specified period, year or number of years. In addition, Option Agreements are deemed to contain the following provisions with respect to the exercise of Options under the Plan:

- (a) An Option under the Plan is only exercisable for a minimum of 100 Common Shares at any one time.
- (b) The Purchase Price must not be less than the Market Price subject always to the discount from the Market Price allowed under the policies, rules or by-laws of the applicable stock exchange(s) on which the Common Shares are listed and posted for trading, which discount is to be considered in setting the Purchase Price wholly at the discretion of the Board or Committee, as the case may be, and upon exercise of the Option must be paid in full in respect of those Option Shares being acquired in Canadian funds by cash, certified cheque or bank draft payable to or to the order of the Corporation at the time of exercise.
- (c) Each Option terminates on its Normal Expiry Date, Options must expire within a reasonable period following a Participant ceasing to be an eligible Participant, (maximum of 12 months), but subject always to the provisions of subclause 6(d) of this Plan.
- (d) If, after the Option Date and on or before the exercise in full of the Option or the Normal Expiry Date, the Optionee ceases to be a Participant:
  - (i) by reason of the Optionee's permanent physical or mental disability, or death, then such Optionee's Option may be exercised to purchase the total number of Option Shares not previously purchased by the Optionee whether or not the rights to purchase some or all of those Option Shares have previously vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 90 days after the date the Optionee ceases to be a Participant due to such permanent physical or mental disability, or death. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder cease and expire and are of no further force and effect. For greater certainty but without limiting the generality of the foregoing, if the Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or a subsidiary thereof, the Optionee is deemed to be an employee for the purpose of the Plan and the Option; or
  - (ii) by reason of the Optionee's office, directorship or employment or services agreement with the Corporation terminating or ending otherwise than by reason of permanent physical or mental disability, or death or termination with or without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, then such Optionee's Option may be exercised to purchase the total number of Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 21 days after the date the Optionee ceases to be a Participant due to the termination or ending of the Participant's office, directorship or employment or services agreement. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or
  - (iii) by reason of the Optionee's termination without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that the Optionee ceases to be a Participant. Thereafter, the Option and

all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or

(iv) by reason of the Optionee's termination, and the Optionee is entitled to reasonable notice of termination or compensation in lieu thereof, then:

A. the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee on or before the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and:

(1) where the Optionee is given a reasonable period of notice prior to termination, the date the Optionee ceases to be a Participant; or

(2) where the Optionee is paid compensation in lieu of reasonable notice of termination, the date that is 21 days after the Optionee ceases to be a Participant; and

B. the Optionee is not entitled:

(1) to further time to exercise the Option during such reasonable notice period or during such specific notice period; or

(2) to compensation in lieu thereof by way of general damages, or special damages, whether in contract, tort or otherwise.

Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect.

(e) With respect to subclause 6(d)(i), the rights under the Option exercisable after the death or disability of the Optionee, as therein specified, may be exercised by the person or persons to whom the Optionee's rights under the applicable Option Agreement pass by will or applicable law or, if no such person has such right, by the deceased or disabled Optionee's legal representatives.

(f) An Optionee has no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Optionee has exercised his Option to purchase thereunder, which the Optionee has actually taken up and paid for, and which have been duly issued to the Optionee and are outstanding as fully paid and non-assessable Common Shares.

## **7. CHANGES IN STOCK**

In the event:

(a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;

(b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;

- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case:

- (e) the Board will proportionately adjust the number of Option Shares available for Options, the number of Option Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the price per Option Share in such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees/Participants; and
- (f) the Board, in its discretion, may determine that:
  - (i) all or any part of the unexercised and unvested outstanding Options granted under the Plan vest and are exercisable on a date specified by the Board and the unexercised and unvested portion of such Options are thereupon deemed to have been vested and are exercisable on and after the date so specified in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
  - (ii) such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time,

and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

## **8. TAKEOVER BID**

Notwithstanding the terms of any Option Agreement and Clause 6 of this Plan:

- (a) where an unsolicited Offer for the Common Shares is made, all unexercised and unvested outstanding Options granted under the Plan vest and become immediately exercisable in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
- (b) where an Offer for the Common Shares (other than an unsolicited Offer) is made, the Board may by resolution and subject to regulatory approval accelerate the unexpired portions of any outstanding Options so that any unexercised and unvested Options granted under the Plan vest and become exercisable on such terms as the Board so determines (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year).

For the purposes hereof, "Offer" means an offer made generally to the holders of the Corporation's voting securities in one or more jurisdictions to acquire, directly or indirectly, voting securities of the Corporation and which is in the nature of a "takeover bid" as defined in the Securities Act and, where the Common Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the Securities Act. For the purposes hereof, an "unsolicited Offer" means an Offer in respect of which neither the Board nor management of the Corporation solicited, sought out, or otherwise arranged for the offeror party to make such Offer. Any Option remaining unexercised following the earlier of the withdrawal of such Offer and the expiry of such Offer in accordance with its terms again becomes vested or unvested subject to the original terms of the Option Agreement as if the Offer had not been made.

## **9. SALE OF ASSETS OR CHANGE IN CONTROL**

Notwithstanding the terms of any Option Agreement and Clause 6 of this Plan, if:

- (a) the Corporation sells or otherwise disposes of all or substantially of its assets; or
- (b) any person who does not hold more than 20% of the issued and outstanding Common Shares acquires more than 20% of the outstanding Common Shares without the prior consent of the Board, in any way other than by way of takeover bid (which circumstance is addressed in Clause 8 of this Plan),

all unexercised, unvested and outstanding Options granted under the Plan vest and are immediately exercisable in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year). The Board, in its discretion, may determine whether such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

## **10. COMMON SHARES FULLY PAID AND NON-ASSESSABLE**

All Common Shares issued upon the exercise of any Option are to be issued as fully paid and non-assessable Common Shares.

## **11. CONDITIONS OF ISSUANCE OF SHARES**

- (a) If at any time the Board or Committee (as the case may be) determines, in its discretion that:
  - (i) the registration or qualification of the Common Shares which are the subject of any Option Agreement upon, or the consent or approval of, any securities exchange or any stock exchange upon which the Common Shares are listed;
  - (ii) the registration or qualification under any laws of Canada or any Province thereof or of the United States or any state thereof or the consent or approval of any regulatory authority thereof;
  - (iii) evidence (in form and content satisfactory to the Board) of the investment intent of the Optionee; or
  - (iv) an undertaking of the Optionee as to the sale or disposition of such Option Shares that may purchased pursuant to an Option Agreement to the effect that such Option Shares once purchased are not to be traded by the Optionee for a specified period of time,

is necessary or desirable as a condition of the issuance of any Option Shares pursuant to any Option Agreement, then the issuance of any Common Shares is not to be made unless and until such registration, qualification, consent, approval, evidence or undertaking has been effected or obtained free of any condition not acceptable to the Board or Committee.

- (b) Any trade by the Optionee in any Common Shares issued to the Optionee pursuant to the Plan including, without limiting the generality of the foregoing, any sale or disposition for valuable consideration, and any transfer, pledge or encumbrance of any Common Shares issued to an Optionee pursuant to the Plan, is subject to such regulatory approvals and other restrictions under applicable securities laws and regulatory policies as may be required at the time of such

trade. Accordingly, the Corporation makes no representation as to the ability of any Optionee to trade in such Common Shares.

- (c) The Corporation cannot assure a profit or protect the Optionee against a loss on the Common Shares purchased under the Plan. The Corporation assumes no responsibility relating to any tax liability of the Optionee by reason of the exercise of any Option or any subsequent trade.

## **12. ACCOUNTS AND STATEMENTS**

The Corporation will maintain records indicating the number of Options granted to each Optionee and the number of Options exercised under the Plan. Upon written request from an Optionee, the Corporation will furnish to that Optionee a statement indicating the number of Options held on his behalf.

## **13. RESTRICTION ON TRANSFER**

The Options granted to an Optionee are personal and non-assignable and any rights in regard thereto cannot be transferred or assigned except upon the death of the Optionee as provided for in the Plan.

## **14. INTERPRETATION, AMENDMENT AND DISCONTINUANCE**

The Board may interpret the Plan, prescribe, amend or rescind rules and regulations relating to it, and make all other determinations necessary or advisable for its administration. In the event of a conflict between the terms of the Plan and an Option Agreement, the terms of the Plan prevail. The Board may from time to time alter, suspend or discontinue the Plan provided that such alteration, suspension or discontinuance does not, except as specifically noted in this Plan or the Option Agreement, alter or impair any Option such Optionee may have under any Option Agreement previously executed and delivered by the Corporation and such Optionee. Any amendment to this Plan is subject to receipt of any necessary regulatory approvals and any amendment required by applicable law or regulatory policy to be approved by shareholders does not become effective until so approved. Subject to the foregoing provisions of this Clause, the Board may terminate the Plan at any time and, upon such termination, any outstanding Option remains exercisable in accordance with its terms as specified herein and in the Option Agreement.

## **15. WAIVER**

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless the same is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

## **16. NOTICES**

The manner of giving notices to the Corporation or to an Optionee is to be specified in the Option Agreement with such Optionee.

## **17. GENERAL**

- (a) This Plan and each Option granted under the Plan are to be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to the Plan is to be treated in all respects as an Alberta contract.
- (b) Nothing contained herein restricts or limits or is deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of shares in the capital stock of the Corporation which are not reserved for issuance hereunder.
- (c) The Plan and any Option Agreement entered into pursuant hereto enure to the benefit of and are binding upon the Corporation, its successors and assigns. The interest of any Optionee hereunder or under any Option Agreement is not transferable or alienable by the Optionee

either by assignment or in any other manner whatsoever and, during his lifetime, is vested only in him, but, subject to the terms hereof and of the Option Agreement, enures to the benefit of and is binding upon the legal personal representatives of the Optionee.

**18. APPLICATION TO OUTSTANDING OPTIONS**

The Plan shall govern all outstanding options previously granted by Canadian Equipment Rental Fund Limited Partnership under the Prior Plan on and after the date of approval of the Plan by the Board and upon receipt from each holder of outstanding options granted under the Prior Plan of an agreement agreeing and acknowledging that their outstanding options granted under the Prior Plan are subject to the Plan, but in all other respects still subject to the same terms and conditions applicable on the initial date of grant thereof under the Prior Plan.