



**MAXIM POWER CORP.**

**NOTICE OF**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR  
AND PROXY STATEMENT DATED MAY 2, 2022**

**WITH RESPECT TO THE**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 14, 2022**



**MAXIM POWER CORP.**

**NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 14, 2022**

**TO: THE SHAREHOLDERS OF MAXIM POWER CORP.**

**NOTICE IS HEREBY GIVEN THAT** the Annual General and Special Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Maxim Power Corp. ("**MAXIM**" or the "**Corporation**"), will be held in the **Main Floor Conference Centre at 715 - 5<sup>th</sup> Avenue SW, Calgary, Alberta, on Tuesday, June 14, 2022 at 10:00 a.m. (Calgary time)**, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2021 and the Auditors' report thereon;
2. to approve an ordinary resolution to fix the number of directors to be elected at the Meeting at six (6);
3. to elect the nominees to the board of directors of the Corporation for the ensuing year, as set out in the Management Information Circular accompanying this Notice;
4. to appoint KPMG LLP, Chartered Accountants, of Calgary, Alberta, as Auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration;
5. to approve all unallocated stock options issuable pursuant to the Corporation's stock option plan; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

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

**The Corporation currently intends to hold the Meeting in person. The Corporation encourages registered Shareholders and duly appointed proxyholders not to attend the Meeting in person if they are experiencing any COVID-19 symptoms. The Corporation encourages Shareholders to vote their common shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Shareholders.**

Shareholders may use the following information to listen to the Meeting via conference call:

Toll free from North America: 1-877-385-4099  
Access Code: 2934257#

**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 our 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.**

Non-registered 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.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting, or any adjournment thereof, is May 2, 2022 (the "**Record Date**"). However, if a Shareholder has transferred any Common Shares after that date and the new holder of such shares establishes proper ownership and demands, not later than ten

(10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, then that new Shareholder will be entitled to attend and vote at the Meeting.

DATED at Calgary, Alberta this 2nd day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF MAXIM POWER CORP.**

*(signed) "M. Bruce Chernoff"*

M. Bruce Chernoff, Chief Executive Officer  
and Chair of the Board



**MAXIM POWER CORP.  
MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT  
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 14, 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 ("**Information Circular**"), unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Information Circular is given as of May 2, 2022, unless otherwise stated.

**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Maxim Power Corp. ("MAXIM" or the "Corporation") for use at the Annual General and Special Meeting (the "Meeting") of the holders (the "Shareholders") of common shares of MAXIM (the "Common Shares"), to be held on Tuesday, June 14, 2022 at 10:00 a.m. (Calgary time), or any adjournment thereof, in the Main Floor Conference Centre at 715 - 5th Avenue SW, Calgary, Alberta for the purposes set out in the accompanying Notice of 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, 9<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.

**PERSONS MAKING THE SOLICITATION**

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation.

The costs incurred in soliciting proxies will be borne by the Corporation and the solicitation will be made primarily by mail. Directors and officers of the Corporation may, without special compensation, solicit proxies by telephone, facsimile, or in person.

**EXERCISE OF DISCRETION BY PROXY HOLDERS**

The persons named in the accompanying Instrument of Proxy will vote the Common Shares in respect of which they are appointed, in accordance with the direction of the Shareholder appointing them, as set forth in the Instrument of Proxy.

In the absence of such direction, such Common Shares will be voted, **FOR** the approval of setting the number of directors at six (6), **FOR** the approval of the election of the nominees hereinafter set forth as

directors of MAXIM, **FOR** the re-appointment of KPMG LLP Chartered Accountants as Auditor of the Corporation and **FOR** the approval of all unallocated stock options issuable pursuant to the Corporation's stock option plan.

The enclosed Instrument of Proxy confers discretionary authority upon the persons specified in the Instrument of Proxy with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As at the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Information Circular. If any matters which are not now known to the directors or officers of the Corporation should properly come before the Meeting, the persons named in the accompanying Instrument of Proxy will vote on such matters in accordance with their best judgment.

## 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 (being M. Bruce Chernoff, Chief Executive Officer and Chair of the Board or Robert Emmott, President and Chief Operating Officer), 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 our 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.**

Non-registered 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(s) thereof. The giving of a proxy will not affect the right of a Shareholder to attend in person at the Meeting, or any adjournment 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 Common 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 Common Shares by proxy as described above under "*Proxy Instructions*", and Registered Shareholders are also entitled to vote their Common 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 Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases, these Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common 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). Common 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 Common 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 Common 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 Common 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 Common 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 Internet

Registered shareholders may also cast your 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.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at May 2, 2022 (the "**Record Date**"), the Corporation had Common Shares issued and outstanding.

The board of directors of the Corporation (the "**Board**") has fixed the Record Date for the Meeting at the close of business on May 2, 2022. Only Shareholders of record on the Record Date are entitled to receive Notice of and to vote at the Meeting except to the extent that a person has transferred any Common Shares of the Corporation after that date and the new holder of such shares establishes proper ownership and demands not later than ten (10) days before the Meeting to be included in the list of Shareholders eligible to vote at the Meeting.

Each Shareholder is entitled to one (1) vote in person or by proxy for each Common Share held on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors.

### Principal Holders of Shares

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns or controls or has direction over more than ten percent (10%) or more of the voting rights attached to all

issued and outstanding Common Shares of the Corporation as of the date of this Information Circular, except as set out below, which is based on publicly available information:

Name of Shareholder and Municipality of Residence	Securities Owned, Controlled or Directed	Percentage of the Class of Outstanding Voting Securities of the Corporation <sup>(1)</sup>
M. Bruce Chernoff <sup>(2)</sup> Calgary, Alberta, Canada	17,794,481	35.6%
W. Brett Wilson <sup>(2)</sup> Calgary, Alberta, Canada	17,116,452	34.2%

**Notes:**

(1) Based on 50,000,256 issued and outstanding Common Shares as at May 2, 2022.

(2) Includes Common Shares held by entities that are majority owned or controlled by Mr. Chernoff and Mr. Wilson.

**Quorum for the Meeting**

At the Meeting, a quorum shall consist of persons present not being less than two (2) in number and holding or representing not less than five (5%) per cent of the Common Shares entitled to be voted at the Meeting.

**Financial Statements**

The Corporation will submit to the Shareholders of the Corporation at the Meeting, the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2021 and December 31, 2020 and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") provides that the Corporation is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders, unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial statements be sent to each registered Shareholder, unless waived in writing by the registered Shareholder. NI 51-102 also provides that the Corporation must send annually a request form to its Registered and Beneficial Shareholders that may be used by such Shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return card to Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

**MATTERS TO BE ACTED UPON AT THE MEETING**

**1. Fixing the Number of Directors**

Shareholders will be asked to approve an ordinary resolution fixing the number of directors of the Corporation for the ensuing year, at six (6).

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).**

**2. Election of Directors**

The affairs of the Corporation are managed by a Board who are elected annually for a one (1) year term at each annual meeting of Shareholders and who hold office until the next annual meeting, or until their successors are duly elected or appointed or until a director vacates his office or is replaced in accordance with the by-laws of the Corporation. The following persons are proposed to be nominated for election as directors of the Corporation at the Meeting. The Board has concluded that each nominee is well qualified to serve on MAXIM'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.

*Majority Voting for Directors*

The Board believes that each director of MAXIM should carry the confidence and support of its shareholders. To this end, the Board has unanimously adopted and agreed to comply with the following policy regarding the election of directors.

The form of proxy for use at any meeting of MAXIM shareholders where directors are to be elected will enable shareholders to either: (a) vote in favour; or (b) withhold their shares from being voted in respect of each nominee separately. At the Meeting, the Chair will call for a vote by ballot and the scrutineer of the shareholders' meeting will record, with respect to each nominee, the total number of shares voted in favour and the total number of shares withheld from voting on each nominee. If, with respect to any nominee, the total number of shares withheld exceeds the total number of shares voted in favour of the nominee, then for purposes of this policy such nominee shall be considered not to have received the support of shareholders even though duly elected as a matter of corporate law.

Any nominee who is considered under the above test not to have the support of the shareholders shall, forthwith submit his or her resignation to the Board to take effect immediately upon acceptance by the Board.

The Board will promptly consider the tendered resignation and, absent exceptional circumstances, shall accept the resignation. In determining whether exceptional circumstances exist that justify the Board reject the resignation, the Board will consider all factors it deems relevant including, without limitation:

- a) the reasons, if known, why shareholders "withheld" or were requested or recommended to "withhold" votes from the director. In particular, the Board will consider if shareholders "withheld" or were requested or recommended to "withhold" votes from the director for reasons other than the qualifications or individual actions of the director;
- b) the current mix of skills and attributes of the directors on the Board;
- c) the impact with respect to covenants in agreements or plans; and
- d) legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications.

The Board shall decide whether or not to accept the tendered resignation, and shall not later than ninety (90) days after the shareholders' meeting, issue a news release, a copy of which will also be provided to the Toronto Stock Exchange, which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept such resignation.

Any director who tenders his or her resignation pursuant to the above described Policy will not participate in the Board consideration regarding the acceptance or rejection of the tendered resignation. If a majority of the members of the Board receive a majority withhold vote at the same election, then the directors who did not receive a majority withhold vote will consider the tendered resignations and decide whether to accept or reject the tendered resignations within ninety (90) days following the date of the applicable shareholders' meeting. If a sufficient number of directors have received a majority withhold vote and have tendered a resignation in accordance with the above described Policy, such that the Board would no longer have a quorum if all resignations were accepted, then such directors who have tendered a resignation in accordance with the above described Policy shall not vote in any meeting of the Board at which his or her resignation is considered. However, in that case, each such director present at a meeting of the Board may be counted for the purpose of determining whether the Board has quorum at the particular meeting. Except as set forth in this paragraph, a director who tenders his or her resignation pursuant to the above described Policy will continue to participate in all meetings of the Board and any applicable committees of the Board on which such director serves until such time, if applicable, as the Board decides to accept the director's tendered resignation.

Subject to any restrictions or requirements contained in applicable corporate law or MAXIM's constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next annual meeting; (b) appoint a replacement director whom the Board considers merits the confidence of the shareholders; or (c) call a special meeting of shareholders to elect a replacement director nominated by management.

The above noted Policy does not apply in respect of any contested shareholders' meeting. For purposes hereof, a contested meeting is any meeting of shareholders at which the number of directors nominated for election is greater than the number of seats available on the Board.

The proposed directors at the Meeting are:

Wiley D. Auch  
M. Bruce Chernoff  
Brad Wall

Andrea Whyte  
W. Brett Wilson  
Michael Mayder

Johann Polz, a current director of MAXIM is not standing for re-election at the Meeting and accordingly his term as a director will expire at the Meeting. The following table sets forth, for each proposed director: their name, municipality, province or state and country of residence; their committee memberships; all positions and offices with MAXIM now held by them, the month and year in which they were first elected or appointed as a director; their principal occupation for at least the last five (5) years; and the number and percentage of Common Shares that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of May 2, 2022:

<b>Name and Province and Country of Residence</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>No. of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly (% of total)<sup>(1)</sup></b>
Wiley D. Auch <sup>(2) (3)</sup> Alberta, Canada	October, 2006	Chief Financial Officer of Longbow Capital Inc. (a private equity firm) from 2010 until 2019. Chief Compliance Officer of Vesta Wealth Partners Ltd. on a part-time basis, from April 2020 until January 2021. Effective January 2021, Mr. Auch is retired.	59,834 (0.1%)
M. Bruce Chernoff <sup>(3)</sup> Alberta, Canada	March, 2005	Chair of the Board of MAXIM since March 2005 and CEO since November 2018; President and Director of Caribou Capital Corp (a private investment management company). Prior thereto, held position of Interim CEO of MAXIM since June 2016. Chair of PetroShale Inc. since August 2012.	17,794,481 (35.6%)
Michael Mayder <sup>(5)</sup> Alberta, Canada	May, 2021	Independent Business Consultant; prior thereto President and Chief Financial Officer of MAXIM from 2018 until his retirement in 2020 and Chief Financial Officer of MAXIM from 2007 to November 2018.	5,000 (less than 0.1%)
Brad Wall Saskatchewan, Canada	May, 2019	Director, Special Advisor of Osler, Hoskin & Harcourt LLP, partner in CW Cattle Co. and Principal, Flying W Consulting Inc.; prior thereto Premier of Saskatchewan and leader of the Saskatchewan Party.	164,589 (0.3%)
W. Brett Wilson <sup>(2)(3)</sup> Alberta, Canada	March, 2005	Vice Chair of the Board of MAXIM since November 2018. Prior thereto, held the position of Director on the MAXIM Board since March 2005. Founder of Prairie Merchant Corporation (a private investment management corporation) in 1991.	17,116,452 (34.2%)
Andrea Whyte <sup>(4)</sup> Alberta, Canada	Nominee	Partner, Osler, Hoskin & Harcourt LLP	Nil

**Notes:**

(1) Percentage of Common Shares beneficially owned is calculated based on issued and outstanding Common Shares as at May 2, 2022. In addition to the foregoing, each of Mr. Chernoff and Mr. Wilson are (indirectly through entities owned or controlled by them) lenders to the Corporation pursuant to a Convertible Loan (as defined herein) in the aggregate principal amount of up to \$75 million. The drawn amounts thereunder (including accrued interest) of up to \$75 million, may be converted at the election of each lender based on their respective sharing percentage of funds advanced and owing thereunder (being 50/50) at a conversion price of \$2.25 per share, resulting in the maximum number of Common Shares that may be acquired by each lender on conversion

of the Convertible Loan (assuming such loan is fully drawn) of 16,666,667 Common Shares. See "*Interest of Informed Persons in Material Transactions*".

- (2) Member of Audit and Risk Management Committee.
- (3) Member of the Compensation and Environment, Health & Safety Committee.
- (4) Subsequent to her election at the Meeting, Andrea Whyte is expected to be appointed to the Board of Directors to fill the vacancy left by Mr. Polz's retirement from the Board.
- (5) Mr. Mayder is expected to be appointed to the Audit and Risk Management Committee to fill the vacancy left by Mr. Polz's retirement from the Board.

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the election of the nominees described above as directors of the Corporation. It is not contemplated that nominees will be unable to serve as directors, but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Instrument of Proxy reserve the right to vote for other nominees at their discretion.**

#### **Additional Disclosure Relating to Proposed Directors**

To MAXIM's knowledge, no proposed director of the Corporation is or has been, within the ten (10) years prior to the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any issuer (including the Corporation) that,

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (ii) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive Officer or Chief Financial Officer, and which resulted from an event that occurred while that person was acting in the capacity of director, Chief Executive Officer or Chief Financial Officer.

For the purpose of the above, an order means a cease trade order or similar order, or an order that denied a company access to any statutory exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days.

To MAXIM's knowledge, except as set forth below, no proposed director of the Corporation is, or has been, within the ten (10) years prior to the date of this Information Circular, a director or Executive Officer of any issuer (including the Corporation) that, while that 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 had a receiver, receiver manager or trustee appointed to hold its assets:

- Mr. Chernoff was formerly a director of Calmena Energy Services Inc. (a public oilfield service company) which was placed in receivership on January 20, 2015. Mr. Chernoff resigned effective January 15, 2015.
- Mr. Wilson was formerly a director of Lightstream Resources Ltd. (a public oil and gas exploration company) which entered into restructuring proceedings under the Companies' Creditors Arrangement Act on September 26, 2016. Mr. Wilson resigned effective December 29, 2016.
- Mr. Wilson was formerly a director of Forent Energy Ltd. (a public oil and gas exploration company) which was placed in receivership on May 9, 2017. Mr. Wilson resigned effective May 9, 2017.

In addition, to MAXIM's knowledge, no proposed director has, within the ten (10) years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director. Further, to MAXIM's knowledge, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### 3. Appointment of the Auditor

Shareholders will consider an ordinary resolution to appoint the firm of KPMG LLP, Calgary, Alberta, 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. KPMG LLP has been the Auditor of the Corporation since December, 2000. Should KPMG LLP for any reason be unwilling or unable to accept re-appointment, MAXIM's directors will exercise their discretion to appoint an alternate Auditor.

Certain information regarding the Corporation's Audit and Risk Management Committee, including the fees paid to the Auditor in the last fiscal year, that is required to be disclosed in accordance with National Instrument 52-110 *Audit Committees* is contained in the Corporation's Annual Information Form for the year ended December 31, 2021, an electronic copy of which is available on the internet on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the appointment of KPMG LLP as Auditor of the Corporation.**

### 4. Approval of Unallocated Options under the Stock Option Plan

Section 613(a) of the TSX Company Manual provides that every three (3) years after the institution of a security based compensation arrangement, all unallocated rights, options or other entitlements under such arrangement which do not have a fixed maximum number of securities issuable, must be approved by a majority of the issuer's directors and by the issuer's security holders.

As the Stock Option Plan (as defined below) is considered to be a security based compensation arrangement and the Stock Option Plan provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to outstanding Options (as defined below) is not a fixed number and instead shall not exceed a number of Common Shares equal to 10% of the issued and outstanding Common Shares from time to time (less the number of Common Shares issuable pursuant to any other security based compensation arrangements), approval will be sought at the Meeting to approve the grant of unallocated Options under the Stock Option Plan. When Options have been granted pursuant to the Stock Option Plan, Common Shares that are reserved for issuance under outstanding Options are referred to as "allocated" Common Shares. The Corporation has additional Common Shares that may be reserved for issuance pursuant to future grants of Options under the Stock Option Plan, but as they are not subject to current Option grants, they are referred to as "unallocated" Options. All unallocated Options issuable pursuant to the Stock Option Plan were last approved by the Shareholders on May 21, 2019.

As at May 2, 2022, the maximum number of Common Shares that may be issued under the Stock Option Plan was 5,000,025 Common Shares, representing 10% of the number of issued and outstanding Common Shares on that date. Other than the Stock Option Plan, the Corporation does not have any other security based compensation arrangements. As at May 2, 2022, the Corporation had allocated Options to acquire 2,626,949 Common Shares outstanding under the Stock Option Plan (equal to approximately 5.25% of the issued and outstanding Common Shares as at such date), leaving up to 2,373,076 Common Shares (equal to approximately 4.75% of the issued and outstanding Common Shares as at such date) available for future grants under the Stock Option Plan (and any other security based compensation arrangements that may be in effect at such time) based on the number of outstanding Common Shares as at that date. If any Options granted under the Option Plan shall be exercised or shall expire, terminate or be cancelled for any reason without having been exercised in full, such Options shall be unallocated and be available for the purposes of future grants under the Stock Option Plan (and any other security based compensation arrangements that may be in effect at such time) of the Corporation.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval for unallocated options under the Stock Option Plan until June 14, 2025. As the authority for the further grant of unallocated Options expires on May 21, 2022, subsequent to May 21, 2022 the Corporation is not entitled to make further grants of Options, subject to the approval of the below noted resolution at the Meeting and only after such approval is obtained. If approval for the below noted resolution is not obtained at the Meeting, the Corporation will remain unable to grant further Options under the Stock Option Plan. Previously allocated Options will continue to be unaffected by the approval or disapproval of unallocated Options at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution (the "**Unallocated Option Resolution**") in the following form:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of Maxim Power Corp. (the "**Corporation**"), that:

1. All unallocated stock options under the Stock Option Plan are approved and authorized until June 14, 2025.
2. Any one officer or director of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions.
3. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

In order for the Unallocated Option Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies **FOR** the Unallocated Option Resolution.

### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

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 individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

##### *General*

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer ("**NEO**") of the Corporation for the three (3) most recently completed financial years. "**Named Executive Officer**" is defined by the legislation to mean: (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, regardless of the amount of compensation of that individual; (ii) each of the three (3) most highly compensated executive officers of the Corporation, including any of its subsidiaries, or individuals acting or in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, 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 or its subsidiaries 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.

#### **Compensation Governance**

##### *Role and Composition of the Compensation and Environment, Health and Safety Committee*

MAXIM's executive compensation program is administered by the Compensation and Environment, Health and Safety Committee (the "**Compensation Committee**") of the Board. The Compensation Committee's mandate includes reviewing and making recommendations to the Board in respect of compensation matters relating to MAXIM's executive officers, employees and directors, including the "Named Executive Officers" which are identified in the "*Summary Compensation Table*" below.

The Compensation Committee has the responsibility, among other things, for reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of the Corporation

and its subsidiaries in the context of the budget and business plan of the Corporation. As part of the mandate and responsibility of the Compensation Committee, the Compensation Committee is responsible for formulating and making recommendations to the Board in respect of compensation issues relating to directors and employees of the Corporation. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

1. establishing a plan of continuity for executives and other key employees;
2. ensuring a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the executive management and other key employees;
3. taking all reasonable steps to ensure that policies and procedures exist in order that the Corporation meets or exceeds its legal requirements concerning environmental, health and safety practices;
4. ensuring that any policy, process or evaluation should enhance MAXIM's corporate culture;
5. regularly reviewing the organization structure and reporting any significant organizational changes, along with the Compensation Committee's recommendations, to the Board;
6. reviewing and, if satisfied, approving annually, or more frequently as required, management's succession plans for executive management, including specific development plans and career planning for potential successors;
7. developing compensation philosophy and guidelines for executive management, for recommendation to the Board for its consideration and approval;
8. reviewing and fixing the compensation of each member of the executive management, and reporting its broad conclusions to the Board for its consideration and approval; and
9. recommending to the Board for consideration, approval, and establishment by the Board any stock option plan, pension plan or employee benefit plans to be granted to executive management and guidelines with respect thereto.

The Compensation Committee, upon the approval of the Board, may engage independent services for the provision of appropriate industry compensation data and trends.

As of December 31, 2021, the members of the Compensation Committee were Wiley Auch (Chair), M. Bruce Chernoff and W. Brett Wilson. Each of these individuals are "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance and Practices* ("NI 58-101"), other than Mr. Chernoff may not be considered an independent director for the purposes of NI 58-101. Mr. Chernoff does not receive any compensation from the Corporation (either directly or indirectly) in his capacity as an officer or director of the Corporation, including any grant of any equity-based or share-based compensation (or otherwise). As such, the Board and the Compensation Committee have determined that Mr. Chernoff possesses the reasonable skills and judgement, without any due influence or potential of conflict of interest, to perform the requirements and fulfill the mandate of the Compensation Committee. Each of these directors is a highly experienced executive with extensive knowledge of compensation matters, having dealt with numerous compensation issues in the course of their duties as directors and officers of other corporations. In addition, they continue to be actively involved in matters relating to corporate governance and risk management. Their perspectives and experience has provided them with the necessary abilities to fulfill their responsibilities as set out above.

The Compensation Committee has the responsibility, among other things, for making recommendations to the Board in respect of directors' compensation. In arriving at its recommendations, the Compensation Committee conducts a periodic review of directors' compensation having regard to various governance reports on current trends in directors' compensation and compensation data for directors of reporting issuers of comparative size to the Corporation.

The compensation of the Corporation's directors for the year ended December 31, 2021 is described below under the heading "*Compensation of Directors*".

### **Executive Compensation Principles**

MAXIM's compensation program is based on a "pay-for-performance" philosophy which supports MAXIM's commitment to delivering value for its shareholders. MAXIM's compensation policies are designed to attract, recruit and retain individuals of high caliber, to incent performance in order to achieve or exceed

MAXIM's strategic objectives and targets and to align the interests of management (executive and non executive) with the long term interests of MAXIM's shareholders for enhanced share value.

MAXIM's executive compensation program is comprised of the following primary components: (a) base salary; (b) short term incentive compensation comprised of discretionary cash bonuses; and (c) long term incentive compensation comprised of stock options. These components support MAXIM's long term strategy for growth and are designed to address the following key objectives of our compensation program:

- align executive compensation with shareholders' interests;
- attract and retain highly qualified management;
- focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- encourage retention of key executives for leadership succession.

When determining executive compensation, including the assessment of the competitiveness of MAXIM's compensation program, the Compensation Committee reviews the compensation practices of companies in its selected peer group. These companies compete with MAXIM for executive talent and/or operate in a similar business environment or geographies and are of similar size, scope and complexity.

MAXIM's peer group for these purposes is comprised of companies based upon such factors as geography of operations, production of energy (electric and thermal energy), including operations in deregulated or quasi-deregulated electricity markets. These include; Boralex Inc., Innergex Renewable Energy Inc., Atlantic Power, Brookfield Renewable LP and Northland Power.

The Chief Executive Officer is responsible for making recommendations to the Compensation Committee with respect to compensation for the executive officers of MAXIM. In making such recommendations, the Chief Executive Officer reviews the compensation data compiled from corporate performance and individual performance. In assessing corporate performance, MAXIM considers key achievements in the year that may create significant value for the Corporation now or in the future. In assessing individual executive officer performance, consideration is given to factors such as level of responsibility, experience and expertise, as well as more subjective factors such as leadership and performance in such executive officer's specific role with MAXIM.

Upon the receipt of the recommendations from the Chief Executive Officer, the Compensation Committee reviews the evaluation as well as the compensation data compiled to determine whether to accept the recommendation or make any changes. Consultation between the Chief Executive Officer and members of the Compensation Committee is customary during this process, and the Compensation Committee will separately discuss and review any relevant matters, in many cases without convening any formal meeting. Recommendations for executive compensation are then made by the Compensation Committee to the full Board for approval. Each element of MAXIM's executive compensation program is described in more detail below.

#### **Compensation Consultant or Advisor**

No compensation consultants or advisors were retained during the year ended December 31, 2021 to assist in determining compensation for any of the issuer's directors or officers.

#### **Elements of Executive Compensation Program**

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

The base salary component is intended to provide a fixed level of competitive pay that reflects each executive officers' primary duties and responsibilities. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. MAXIM's Compensation Committee recognizes that the size of MAXIM may prohibit base salary compensation for executive officers from matching those of larger companies in the independent power industry and, accordingly, that performance based compensation elements are an important element which must be used to remain competitive for human capital.

Salaries of executive officers are reviewed every year with adjustments becoming effective on January 1, or at such other times as the Compensation Committee may determine appropriate.

### **Short Term Incentive Compensation – Cash Bonuses**

In addition to base salaries, MAXIM has a discretionary bonus plan pursuant to which the Board, upon recommendation of the Compensation Committee, may award annual cash bonuses to executive officers. The annual cash bonus element of the executive compensation program is designed to reward both corporate and individual performance. The discretionary bonus plan is intended to help ensure that overall executive cash compensation (i.e. salary and bonus) is competitive and recognizes performance relative to the market. In addition to a discretionary bonus plan, certain transactional bonuses may be paid for the purpose of incentivizing management to create shareholder value by the realization of cash from the sale of certain assets or through project development.

### **Long Term Incentive Compensation – Stock Options**

#### *Stock Option Plan*

Stock Options ("**Options**") are granted under MAXIM's Stock Option Plan (the "**Stock Option Plan**" or "**Plan**") to directors, executive officers, employees, and consultants of MAXIM and are intended to align such individual's interests with shareholder interests to create a more direct link between compensation and shareholder return. Participation in the Plan is intended to reward achieving overall corporate performance, as measured through the price of MAXIM's Common Shares. In addition, the Stock Option Plan enables executives to develop and maintain a significant ownership position in MAXIM. Individual stock option grants for directors and officers are approved by the Board and all other stock option grants are approved by the Chair of the Board on the recommendation of senior management.

Options may be awarded by the Chair of the Board upon the commencement of an individual's employment with MAXIM based on the level of responsibility within MAXIM. Additional Option grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility and performance within MAXIM. In considering additional Option grants, MAXIM evaluates the number of Options an individual has been granted, the exercise price and value of the Options and the term remaining on those Options.

Options granted under the Stock Option Plan typically initially vest over a period of three (3) years with 1/3 of the Options vesting on each of the first, second and third anniversaries of the grant date. Options granted under the Stock Option Plan typically have an expiry date (or term) that expires one (1) year after the date of vesting. It is the Corporation's intention that, subject to the discretion of the Board or the Chair of the Board, upon the expiry of any Options, the holder of such expired Options will be eligible to receive a grant of additional Options equal in number to the number of Options which have expired.

Effective March 17, 2016, the Board approved certain amendments to the Put Right provisions of the Option Plan to provide the Corporation the option to settle the "in the money" amount of any Option surrendered pursuant to the Put Right by way of the issuance of Common Shares.

### **Security Based Compensation Arrangements**

MAXIM's only security based compensation arrangements, for the purposes of the rules of the Toronto Stock Exchange is the Stock Option Plan. Amendments to the Stock Option Plan were last approved by Shareholders at a meeting of Shareholders held on May 22, 2013. The amendments to the Stock Option Plan, which were approved, consisted of amendments to Section 4.5 of the Stock Option Plan to provide that if the normal expiry date of any option falls within a black-out period or within twenty (20) business days following the end of any black-out period, then the expiry date of such options is extended to the date that is twenty (20) business days following the end of such black-out period. In accordance with the provisions of the Option Plan, shareholder approval was not required for the amendments to the Put Right provisions of the Option Plan as described above. The Corporation's Stock Option Plan is considered to be a security based compensation arrangement, and the maximum number of Common Shares issuable pursuant to the Stock Option Plan is not a fixed number and instead, is equal to ten percent (10%) of the outstanding Common Shares. Section 613(a) of the Toronto Stock Exchange Company Manual provides that every three (3) years after the institution of a security based compensation arrangement, all unallocated rights, options or other entitlements under such arrangement, which do not have a fixed maximum number of securities issuable, must be approved by a majority of the issuer's directors and by the issuer's security holders, which was last approved by Shareholders at a meeting of Shareholders held on May 21, 2019 and is subject for consideration by the Shareholders for re-approval at the Meeting. Information with respect to the Stock Option Plan as May 2, 2022 is as follows:

Eligible participants	Directors, officers, key employees and service providers of the Corporation or any subsidiary of the Corporation.
Total number of options issued and outstanding	2,626,949
Number of issued options as a percentage of total Common Shares outstanding	5.25%
Total number of options available for issue	2,373,076
Number of options available for issue as a percentage of total Common Shares outstanding	4.75%
Number of Common Shares issued on exercise of Options during the year ended December 31, 2021	304,619
Maximum number of Common Shares that can be reserved upon the exercise of options expressed as a percentage of total Common Shares outstanding	The aggregate number of Common Shares that may be issued pursuant to the exercise of options awarded under the Stock Option Plan and all other security based compensation arrangements of the Corporation is ten percent (10%) of the Common Shares outstanding from time to time. Any increase in the Common Shares outstanding will result in an increase in the available number of Common Shares that may be issued pursuant to the exercise of options awarded under the Stock Option Plan.
Maximum percentage of Common Shares available to insiders	The number of Common Shares issued to insiders, within any one (1) year period, under all security based compensation arrangements of the Corporation must not exceed ten percent (10%) of the number of outstanding Common Shares. No more than ten percent (10%) of the outstanding Common Shares from time to time (on a non-diluted basis) may be reserved for insiders under the Plan, together with all other security based compensation arrangements of the Corporation.
Maximum number of options that can be granted to any one person	The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other share compensation arrangements, must not exceed five percent (5%) of the then outstanding Common Shares. In addition, each non-employee director, other than the Chair of the Board, shall not be entitled to receive in a calendar year options to acquire, in aggregate, in excess of 250,000 Common Shares.
Method of determining the exercise price for options	The exercise price for an option shall not be lower than the "Market Price" per Common Share, which is the volume weighted average trading price of the Common Shares for the five trading days prior to the date of grant. In certain circumstances, the Stock Option Plan provides for a different option price, although prior consent is required of all stock exchanges on which the Common Shares are listed.
Ability of the Corporation to transform an option into a stock appreciation right involving an issuance of securities from treasury	There is no provision in the Plan to transform an option into a stock appreciation right.
Vesting of options	The vesting arrangements of options granted are at the discretion of the Board.
Term of options	The term of options shall be determined by the Board in its discretion; however, the maximum term is five (5) years from the date of grant.
Assignability of options	In the case of death of an optionee, the options can be exercised by the legal personal representative(s) of the optionee's estate. In addition, options may be transferred to: (i) a company either wholly-owned or controlled by any person to whom options may otherwise be granted, or (ii) to an RRSP or a RRIF of the optionee, subject in all cases to any requirements of any applicable regulatory authority having jurisdiction.
Causes of cessation of entitlement to exercise options	Options shall terminate at the earlier of: (i) the close of business ninety (90) days after the optionee ceases to be a director, officer, employee or service provider of the Corporation or a subsidiary of the Corporation, (ii) the close of business ninety (90) days after the optionee has been provided with written notice of dismissal without

	<p>cause, and (iii) the expiry date of the option. If an optionee ceases to be an employee, officer, director or service provider by reason of the death, any unvested portion of such Option shall immediately vest. In addition, Options may be exercised by the legal personal representative(s) of the optionee's estate before the 90th day after the date of death of the optionee unless the Board (in their discretion) extend the expiry of the Option provided that in no event will an Option be exercisable five (5) years after the date of grant without the approval of the TSX. In the case of dismissal for cause, any portion of options that the optionee would otherwise be entitled to exercise at the time of such termination shall expire immediately upon the date notice of termination of employment for cause is given by the Corporation, and the optionee shall have no further rights under the Plan.</p>
<p>Procedure for amending the Plan</p>	<p>The Board may: (i) reduce the percentage number of Common Shares that may be issued pursuant to the exercise of options awarded under the Plan, (ii) change the term of the options for non-Insiders, (iii) alter the Put Right provisions under the Plan or alter the vesting provision relating to the options; and (iv) discontinue the Plan or any option at any time, in each case, without the approval of holders of Common Shares; provided that any amendment to the Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange.</p> <p>Without the prior approval of the holders of Common Shares, the Board may not: (i) increase the number of Common Shares that may be issued pursuant to the exercise of options awarded under the Plan in the aggregate or to any person or group of persons; (ii) change the manner of determining the minimum exercise price; (iii) extend the maximum period during which options may be exercised; or (iv) amend a stock option grant for an option held by an insider to lower the exercise price or to extend the expiry date.</p> <p>In addition, no amendment to the Plan or options granted pursuant to the Plan may be made without the consent of the optionee, if it adversely alters or impairs any option previously granted to such optionee under the Plan.</p>
<p>Financial assistance to participants under the Plan</p>	<p>There is no provision under the Plan to provide financial assistance to optionees who wish to exercise options.</p>
<p>Entitlement under the Plan to options previously granted but subject to ratification by Shareholders</p>	<p>None.</p>
<p>Other material information</p>	<p>Appropriate adjustments in the number of Common Shares subject to the Plan and, as regards options granted or to be granted, in the number of Common Shares to be issued and in the option price, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation. The Plan also provides for the "cashless" exercise of options in certain circumstances through the Put Right (to be settled, at the Corporation's election, in cash or Common Shares). In addition, the Plan provides that if the normal expiry date of any Options falls within any black-out period, the expiry date of such options would be extended to the date that is twenty (20) business days following the end of such black-out period.</p>

The following table summarizes the number of incentive awards granted to all of our directors, officers and employees during the periods noted below and the potential dilutive effect of such incentive awards:

<b>Burn Rate</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
(expressed as a percentage, the number of Options granted for each fiscal year divided by the weighted average shares outstanding for each fiscal year) <sup>(1)</sup>	2.03%	2.50%	2.19%

Note:

- (1) Pursuant to the requirements of the Toronto Stock Exchange, the weighted average number of Common Shares outstanding during the period is the number of Common Shares outstanding at the beginning of the period, adjusted by the number of Common Shares bought back or issued during the period multiplied by a time weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the period.
- (2) During the year ended December 31, 2021 an aggregate of 1,018,147 Options were granted, during the year ended December 31, 2020 an aggregate of 1,244,168 Options were granted and during the year ended December 31, 2019 an aggregate of 1,145,467 Options were granted.

## **Risk Oversight**

As described herein, the Corporation's executive compensation program is administered by the Compensation Committee. In carrying out its mandate the implications of the risks associated with the Corporation's compensation policies and practices were discussed both by the Compensation Committee and the Board. The Compensation Committee does not believe the Corporation's compensation programs encourage its executive officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (i) the Corporation's compensation policies and practices are uniform throughout the organization and there are no significant differences in compensation structure among the senior executives; (ii) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies (the compensation package for executive officers consists of fixed (base salary) and variable elements (cash bonus and Options) which are designed to balance short term goals and the long-term interests of the Corporation and are aimed at creating sustainable value for shareholders); (iii) the compensation expense to executive officers is not a significant percentage of the Corporation's revenue; (iv) Options granted under the Corporation's Stock Option Plan generally vest over a three (3) year period which further mitigates any short-term risk taking potential; and (v) results of annual performance assessments of senior executives' goals, objectives and performance are reviewed and considered in awarding compensation and such discretionary judgment is applied in awarding both discretionary bonuses and future compensation.

The Compensation Committee did note a risk with Options granted under the Corporation's Stock Option Plan. The risk noted is the value of the Common Shares may be impacted by various matters including those relating to the Corporation's results but also by matters external to the Corporation affecting stock prices generally and/or those relating to issuers in business similar to the Corporation. To the extent that those results or factors negatively impact on the trading price of the Common Shares, incentives to holders Options may be removed to the extent that Options are "out of the money". Further, to the extent that Options are "out of the money", notwithstanding that a holder may hold unvested Options, they may have no or little retention affect depending on future expectations as to the trading price of the Common Shares. The Board mitigates this risk by periodically reviewing option positions to ensure grants continue to motivate executives as intended.

## **Certain Other Matters**

To the knowledge of the Compensation Committee and the Board as at the date hereof, no significant changes are proposed to be made to MAXIM's compensation policies and practices during the year ended December 31, 2022. As at the date hereof, no significant changes to the Corporation's compensation policies and practices are pending or proposed.

Currently NEOs and directors are not restricted from purchasing financial instruments 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 NEO or director.

## COMPENSATION OF NAMED EXECUTIVE OFFICERS

### 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 plan compensation		All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
				Annual Incentive Plans (\$)	Long-term Incentive Plans		
M. Bruce Chernoff CEO <sup>(5)</sup>	2021	Nil	Nil	Nil	---	Nil	Nil
	2020	Nil	Nil	Nil	---	Nil	Nil
	2019	Nil	Nil	Nil	---	Nil	Nil
Robert Emmott President & COO <sup>(3)</sup>	2021	325,000	123,000	215,000	---	21,277	684,277
	2020	315,000	187,317	190,000	---	20,187	712,504
	2019	315,000	0	120,000	---	20,187	455,187
Rob Watson Vice President, Operations	2021	195,000	29,366	110,000	---	11,027	345,393
	2020	193,800	60,501	83,000	---	8,879	346,180
	2019	193,800	43,852	62,000	---	8,879	308,531
Kyle Mitton CFO & Vice President, Corporate Development <sup>(4)</sup>	2021	210,000	123,670	160,000	---	8,622	502,292
	2020	190,000	98,773	116,000	---	7,600	412,373
	2019	180,000	10,107	65,000	---	7,200	262,307
Kevin Dyck Vice President, Finance & Controller	2021	165,000	41,530	72,000	---	6,963	285,493
	2020	152,050	20,660	56,000	---	6,082	234,792
	2019	152,050	0	42,500	---	6,082	200,632

#### Notes:

- (1) The amounts reported represent the full grant date fair value of the awards, calculated using the Black-Scholes model. The assumptions are as follows:

Assumptions:	2021	2020	2019
Risk-free interest rate	0.19%-1.03%	0.28%-0.57%	1.38%-1.63%
Dividend rate	0%	0%	0%
Expected volatility	27.1%-46.6%	42.9%-47.6%	32.0%-34.0%
Expected Life (years)	2-4	2-4	2-4

- (2) Includes company contributions to Registered Retirement Savings Plans, disability insurance and executive health plans. These amounts do not include any perquisites as the value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year.
- (3) Mr. Emmott was appointed Executive Vice President and Chief Operating Officer on December 1, 2018 and subsequently as President and Chief Operating Officer effective September 9, 2020.
- (4) Mr. Mitton was appointed Vice President, Corporate Development on July 1, 2018 and subsequently he was appointed CFO and Vice President, Corporate Development on January 5, 2021.
- (5) Effective November 23, 2018, Mr. M. Bruce Chernoff was appointed Chief Executive Officer of the Corporation (formerly Interim Chief Executive Officer).

## Incentive Plan Awards

### Outstanding Share-Based and Option-Based Awards

The following table sets forth all option-based awards outstanding at December 31, 2021 made to NEOs. The NEOs do not receive share-based awards.

Option-based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date (DD/MM/YYYY)	Value of Unexercised in-the-money Options <sup>(2)</sup> (\$)
M. Bruce Chernoff <sup>(1)</sup>	---	---	---	---
Rob Watson	28,102	1.67	13-04-2023	64,635
	28,101	2.38	13-04-2024	44,681
	28,102	1.98	13-04-2022	55,923
	24,524	1.99	04-09-2023	48,558
	24,523	2.92	04-09-2024	25,749
	24,524	1.6	04-09-2022	58,122
	25,000	1.43	30-03-2022	63,500
	25,000	1.43	30-03-2023	63,500
Robert Emmott	25,000	1.43	30-03-2024	63,500
	166,667	2.12	01-12-2023	308,334
	166,667	3.72	01-12-2024	41,667
	166,666	2.11	01-12-2022	309,999
	58,334	1.43	30-03-2022	148,168
	58,333	1.43	30-03-2023	148,166
Kyle Mitton	58,333	1.43	30-03-2024	148,166
	41,667	2.19	01-07-2023	74,167
	41,667	2.98	01-07-2024	41,250
	41,666	2.5	01-07-2022	61,249
	13,333	1.99	04-09-2023	26,399
	13,333	2.92	04-09-2024	14,000
	13,334	1.6	04-09-2022	31,602
	50,000	1.43	30-03-2022	127,000
	50,000	1.43	30-03-2023	127,000
	50,000	1.43	30-03-2024	127,000
	45,000	2.16	05-01-2023	81,450
Kevin Dyck	45,000	2.16	05-01-2024	81,450
	45,000	2.16	05-01-2025	81,450
	13,333	1.99	04-09-2022	26,399
	13,334	1.99	04-09-2023	26,401
	13,333	2.92	04-09-2024	14,000
	3,334	1.43	30-03-2022	8,468
	3,333	1.43	30-03-2023	8,466
	3,333	1.43	30-03-2024	0
	16,667	2.16	05-01-2023	30,167
	16,667	2.16	05-01-2024	30,167
	16,666	2.16	05-01-2025	30,165
	3,334	3.96	24-01-2024	33
	3,333	3.96	24-01-2025	33
3,333	3.96	24-01-2026	33	

**Notes:**

- (1) Mr. Chernoff has elected not to receive Option-based awards.  
(2) Calculated based on the difference between the market price of the Common Shares at December 31, 2021 of \$3.97 and the exercise price of the Options on the grant date.

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

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2021 in respect of option-based awards for NEOs if the Options under the option-based award had been exercised on the vesting date. The NEOs do not receive share-based awards.

<b>Name<sup>(1)</sup></b>	<b>Option-based Awards – Value Vested during the Year<sup>(2)</sup> (\$)</b>	<b>Share-based Awards – Value Vested during the Year (\$)</b>	<b>Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)</b>
Robert Emmott	325,916	---	215,000
Kyle Mitton	81,167	---	160,000
Rob Watson	66,350	---	110,000
Kevin Dyck	15,900	---	72,000

**Notes:**

- (1) Mr. Chernoff has elected not to receive Option-based awards.  
(2) Represents the aggregate dollar value that would have been realized if the vested-in-the-money Options under the option-based award had been exercised on the vesting date in 2021 based on the difference between the closing market price of the TSX of the Common Shares on the vesting date and the exercise price of the Options held.

**Termination Provisions and Change of Control Benefits**

The Named Executive Officers who were parties to an agreement with the Corporation in the last fiscal year that provide for payments to the Named Executive Officer in connection with certain events were Kyle Mitton, Chief Financial Officer and Vice President, Corporate Development and Bob Emmott, the President and Chief Operating Officer.

MAXIM may immediately terminate the employment of Mr. Emmott and/or Mr. Mitton for any reason other than just cause and within five (5) days of the termination date make the following payments and provide the following rights with respect to their share options (in exchange for them signing a full and final release in favor of MAXIM):

- (a) their pro rata Annual Base Salary earned but unpaid up to their last day of employment,
- (b) a prorata bonus payment for that portion of the calendar year in which the termination occurred up to their last day of employment calculated on the basis of their then Annual Salary and a target of fifty percent (50%); and
- (c) a retiring allowance equal to 12 months of their Annual Salary plus two (2) months of their Annual Salary for each year of service up to a maximum of 24 month.

In the event of such a termination without cause, their share options will be treated in accordance with the terms of the Share Option Plan.

In the event of a change of control (a change of control is considered to occur on the effective date of any person or persons, acting jointly or in concert, acquiring control or direction of more than fifty percent (50%) of the issued and outstanding Common Shares of MAXIM, provided that specified insiders of MAXIM are not of MAXIM (or the acquiring or resulting entity) after the effective date of such transaction regardless of whether MAXIM or the acquiring or resulting entity is a publicly traded entity. Specified insiders are M. Bruce Chernoff and W. Brett Wilson) and a termination by MAXIM of Mr. Emmott and/or Mr. Mitton's employment without just cause on the effective date of such change of control or in the six (6) months thereafter;

- (a) their pro rata Annual Base Salary earned buy unpaid up to their last day of employment, unused and accrued vacation, and reimbursable expenses, less required withholdings;
- (b) They will be entitled to a retiring allowance equal to 12 months of his Annual Salary plus two (2) months of his Annual Salary for each year of service up to a maximum of 24 months;

- (c) They will be paid a prorata bonus payment for that portion of the calendar year in which the termination occurred up to their last day of employment calculated on the basis of their then annual base salary and a target of fifty (50%) percent; and
- (d) Any unvested options that they hold to purchase Common Shares shall vest on the termination date and they will have the period of time outlined in MAXIM's Share Option Plan to exercise those vested options.

The following table illustrates the payments that would have been made to Mr. Emmott and Mr. Mitton as a result of a change of control or termination without just cause assuming such events occurred on December 31, 2021:

Name	Triggering Event	Payment Pursuant to Employment Agreements (\$)	Benefit Pursuant to the Accelerated Vesting of Options <sup>(1,2)</sup>	Total (\$)
Robert Emmott	Change of Control	654,515	646,332	1,300,847
	Termination without just cause	654,515	0	654,515
Kyle Mitton	Change of Control	525,000	572,717	1,097,717
	Termination without just cause	525,000	0	525,000

**Notes:**

- (1) Based on the market price of the Common Shares at December 31, 2021 of \$3.97.
- (2) No amounts will be payable to Mr. Chernoff in the event of termination or change of control.

### COMPENSATION OF DIRECTORS

In respect of the financial year ended December 31, 2021 Mr. Auch, Mr. Wall, Mr. Mayder and Mr. Polz received an annual retainer and attendance fees which were determined in accordance with the following guidelines:

- An annual board retainer of \$40,000 for non-management members of the Board and \$40,000 for a non-executive Board Chair;
- Meeting fees of \$1,000 for each meeting of the Board, committee or special committee attended;
- Meeting fees of \$1,000 for participation in periodic Board updates as provided by management subject to a decision being reached on such update which is formalized by a round robin resolution or by ratification at a subsequent Board meeting;
- An annual retainer of \$10,000 for the Chair of the Audit and Risk Management Committee; and
- An annual retainer of \$5,000 for each non-management director serving as Chair of the other committees of the Board.

Mr. Chernoff and Mr. Wilson have elected not to receive retainer and meetings fees for the year ended December 31, 2021.

In addition to the foregoing, expenses incurred relating to attendance at board or committee meetings are reimbursed. Directors are also eligible to receive grants of Options. Messrs. Chernoff and Wilson have elected not to receive Option grants.

## Directors' Summary Compensation Table

The following table details compensation paid to all non-management directors for the year ended December 31, 2021. Mr. Chernoff is the Chief Executive Officer of MAXIM and does not receive compensation for serving as a director of the Corporation.

Name	Fees Earned (\$) <sup>(1)(2)</sup>	Share-based Awards	Option-based Awards (\$) <sup>(5)(6)</sup>	Non-equity Incentive Plan Compensation	Pension Value	All other Compensation	Total Compensation (\$)
M. Bruce Chernoff	---	---	---	---	---	---	Nil
W. Brett Wilson	---	---	---	---	---	---	Nil
Wiley D. Auch	65,000	---	26,956	---	---	---	91,956
Brad Wall <sup>(3)</sup>	44,000		25,800				69,800
Johann Polz	50,000	---	26,956	---	---	---	76,956
Michael Mayder <sup>(4)</sup>	25,846		76,800				102,646

### Notes:

- (3) Mr. Chernoff has elected not to receive annual retainers and meeting fees for serving as a director of the Corporation.
- (4) Mr. Wilson has elected not to receive annual retainers or meeting fees for 2021.
- (5) Mr. Wall was appointed to the Board of Directors on May 13, 2019.
- (6) Mr. Mayder was appointed to the Board of Directors on May 27, 2021.
- (5) Members of the Board are eligible to receive Option grants. Messrs. Chernoff and Wilson have elected not to receive Option grants.
- (6) The amounts reported represent the full grant date fair value of the awards, calculated using the Black-Scholes model. The assumptions are as follows:

Assumptions:	2021
Risk-free interest rate	0.31%- 0.649%
Dividend rate	0%
Expected volatility	28.2%- 32.3%
Expected Life (years)	2-4

## Incentive Plan Awards

### Directors' Outstanding Option-Based and Share-Based Awards

The following table sets forth all option-based awards outstanding at December 31, 2021 made to the non-management directors. Information on Options granted to Mr. Chernoff who serves as a director and officer of the Corporation can be found under the heading "Outstanding Share-Based Awards and Option-Based Awards" for the NEOs. Directors do not receive share-based awards.

Name	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date (DD/MM/YYYY)	Value of unexercised in-the money options (\$) <sup>(2)</sup>
M. Bruce Chernoff	---	---	---	---
W. Brett Wilson	---	---	---	---
Wiley D. Auch	3,333	1.67	13-04-2023	7,666
	3,333	2.38	13-04-2024	5,299
	3,334	1.98	13-04-2022	6,635
	30,000	2.48	21-05-2024	44,700
	30,000	1.88	21-05-2022	62,700
	30,000	1.88	21-05-2023	62,700
	16,666	1.99	04-09-2023	32,999
	16,667	2.92	04-09-2024	17,500
Brad Wall	16,667	1.60	04-09-2022	39,501
	50,000	1.88	21-05-2021	104,500
	50,000	1.88	21-05-2022	104,500
Johann Polz	50,000	1.88	21-05-2023	104,500
	3,333	1.67	13-04-2023	7,666
	3,333	2.38	13-04-2024	5,299
	3,334	1.98	13-04-2022	6,635
	30,000	2.48	21-05-2024	44,700
	30,000	1.88	21-05-2022	62,700
	30,000	1.88	21-05-2023	62,700
	16,666	2.35	04-09-2023	26,999
16,667	2.92	04-09-2024	17,500	
Michael Mayder	16,667	1.60	04-09-2022	39,501
	50,000	2.48	10-06-2023	74,500
	50,000	2.48	10-06-2024	74,500
	50,000	2.48	10-06-2025	74,500

#### Notes:

- (1) Members of the Board are eligible to receive Option grants, however Messrs. Chernoff and Wilson have elected not to receive Option grants.
- (2) Calculated based on the difference between the market price of the Common Shares at December 31, 2021 of \$3.97 and the exercise price of the options.

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

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2021 in respect of option-based awards for non-management directors if the Options under the option-based award had been exercised on the vesting date. The directors do not receive share-based awards.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)(2)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
M. Bruce Chernoff	---	---	---
W. Brett Wilson	---	---	---
Wiley D. Auch	39,167	---	---
Brad Wall	26,000	---	---
Johann Polz	39,167	---	---
Michael Mayder	0	---	---

**Notes:**

- (1) Members of the Board are eligible to receive Option grants. Messrs. Chernoff and Wilson have elected not to receive Option grants.
- (2) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options on the vesting date.

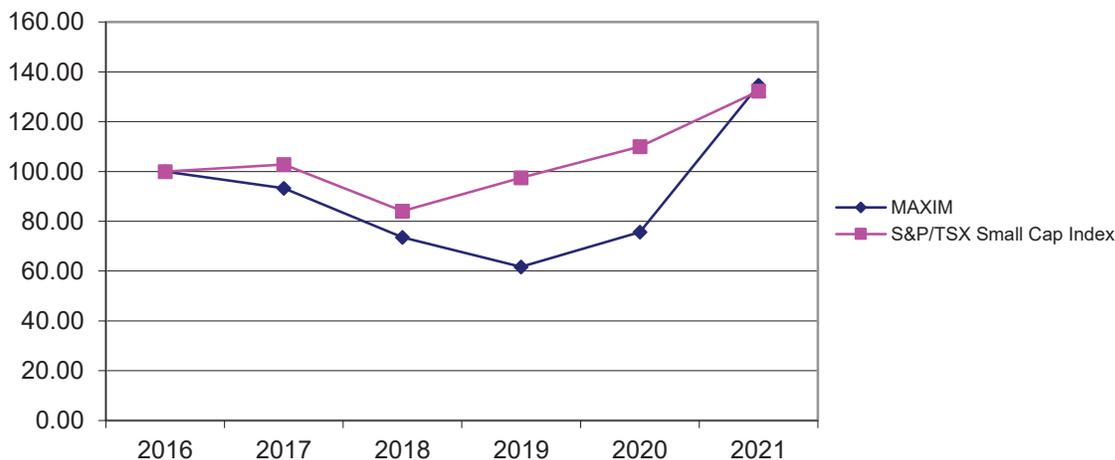
**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

**Equity Compensation Plan Information as of December 31, 2021**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders	2,614,448	\$2.18	2,395,073
Equity compensation plans not approved by security holders	---	---	---
<b>Total</b>	<b>2,614,448</b>	<b>\$2.18</b>	<b>2,395,073</b>

## Performance Graph

The following graph illustrates MAXIM's five (5) year cumulative shareholder return, as measured by the closing price of the Common Shares at the end of each financial year, assuming an initial investment of \$100 on December 31, 2016, compared to the S&P/TSX Small Cap Index, assuming the reinvestment of dividends where applicable.



	2016	2017	2018	2019	2020	2021
MAXIM	100.00	93.22	73.56	61.69	75.59	134.58
S&P/TSX Small Cap Index	100.00	102.75	84.08	97.40	109.94	132.22

MAXIM's compensation model uses a combination of strategic objectives and performance targets as guidelines for a subjective assessment framework and although shareholder return and return on capital employed are reviewed, they are not the only factors considered for executive compensation. As a result, a meaningful comparison between executive compensation and the shareholder return over a short period of time is not necessarily expected.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, or former directors, officers or employees of the Corporation nor any of its associates or affiliates is now or has been indebted to the Corporation or any of its subsidiaries since the commencement of the last completed fiscal year, nor is, or at any time since the beginning of the most recently completed financial year has, any indebtedness of any such person been subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### MANAGEMENT CONTRACTS

The management functions of the Corporation and its subsidiaries are primarily performed by the directors or officers of the Corporation and its subsidiaries. Any management work, which is contracted out, is not significant.

### SUMMARY OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201-*Corporate Governance Guidelines* ("NP 58-201") establish corporate governance guidelines which apply to all reporting issuers. Corporate governance is the process and structure used to direct and manage the business and affairs of the Corporation to achieve the Shareholders' objectives. The Shareholders elect the directors who in turn are responsible for overseeing all aspects of the operations of the Corporation, appointing management and ensuring that the business is managed properly taking into account the interests of the Shareholders and other stakeholders such as employees, customers, suppliers, and the community at large. The Corporation is required to disclose certain specified corporate governance information with reference to NP 58-201 and National Instrument 58-101 *Disclosure of Corporate*

*Governance Practices* ("NI 58-101"), addressing such items as the constitution and independence of corporate boards, the functions to be performed by boards and their committees, the effectiveness of education of boards, board and management diversity and director term limits.

The Board is responsible for the management of the Corporation's business and affairs. It has the obligation to protect and enhance the assets of the Corporation in the interest of all stakeholders. The Board's mandate is to provide stewardship, to supervise the actions of management, to approve and monitor the Corporation's strategic direction and to oversee its organizational structure and the succession planning of senior management. In addition, it has the responsibility to ensure that appropriate systems are implemented to manage the Corporation's principal business risks, and to maintain the integrity of the Corporation's internal controls and management information systems. The Board also has the duty to monitor compliance with all applicable laws and regulations, and with all significant policies and procedures of the Corporation.

### **Board of Directors**

The Board currently consists of six (6) members: Wiley D. Auch, M. Bruce Chernoff, Michael Mayder, Johann Polz, Brad Wall and W. Brett Wilson. Mr. Polz is not standing for re-election at the Meeting and accordingly he will retire as a director on June 14, 2022. Andrea Whyte is standing for election at the Meeting to replace Mr. Polz on the Board.

#### ***Disclose the identity of directors who are independent.***

National Instrument 52-110 *Audit Committees* ("NI 52-110") provides that a member is "independent" if the member has no direct or indirect material relationship with the issuer, a "material relationship" being one which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment. NI 52-110 also specifically prescribes certain relationships which are considered to be material.

Based on the foregoing, the Board of MAXIM has determined four (4) of the six (6) existing directors of the Corporation are independent. The present directors who are independent are:

Wiley D. Auch      Johann Polz      W. Brett Wilson      Brad Wall

Johann Polz, a current director of MAXIM whose term will expire at the Meeting is independent and Andrea Whyte, a nominee director who is standing for election at the Meeting will (upon election to the Board) be an independent director. Accordingly, four (4) of the six (6) proposed directors are considered independent.

#### ***Disclose the identity of directors who are not independent, and describe the basis for that determination.***

After reviewing the above definition of "independent", the Board of MAXIM has determined two (2) of the six (6) existing and proposed directors for election to the Board of the Corporation are not independent. Mr. M. Bruce Chernoff is the Chief Executive Officer of MAXIM. In addition, Michael Mayder, is not considered to be an "independent" director, as Mr. Mayder was, in the past three years, the former President and Chief Financial Officer of the Corporation (and prior that, the Senior Vice President Finance and Chief Financial Officer of the Corporation).

#### ***Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.***

Four of the six directors proposed for election to the Board of the Corporation are independent.

***If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.***

The directors of the Corporation who are also directors of other reporting issuers (or the equivalent) are as follows:

Director	Name of Reporting Issuer
M. Bruce Chernoff	Canoe Financial Corp. (General Partner of Canoe Financial LP, the Manager of Canoe EIT Income Fund)
	Canoe Mutual Funds
	PetroShale Inc.
W. Brett Wilson	Buzz Capital Inc.
	Buzz Capital 2 Inc.
Brad Wall	NexGen Energy Ltd.
	Whitecap Resources Inc.
	Dye and Durham

***Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among the independent directors.***

In conjunction with regularly scheduled meetings of the Board, the independent directors hold *In camera* sessions at which non-independent directors and members of management are not in attendance. Four (4) such meetings were held during 2021. Such *in camera* sessions are held to facilitate open and candid discussions among MAXIM's independent directors. The Audit and Risk Management Committee also meets regularly without non-independent directors or members of management in attendance. Mr. Chernoff and Mr. Mayder may from time to time attend and participate in certain portions of the above noted meetings, however in the event of any conflict of interest or other similar matters with respect to Mr. Chernoff or Mr. Mayder, they will excuse themselves from such meetings (or portions thereof).

***Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.***

Mr. M. Bruce Chernoff, the Chair of the Board, is not an independent director as he was appointed Interim Chief Executive Officer on June 2, 2016 and subsequently Chief Executive Officer on November 23, 2018. Mr. W. Brett Wilson was appointed Lead Director of the Board on June 2, 2016 and subsequently appointed Vice-Chair on November 23, 2018. The purpose of the Vice-Chair is to provide independent leadership for the Board, in particular, its independent directors, and to assist the Board in discharging its duties, responsibilities and obligations independently of management. The Vice-Chair, in conjunction with the Chair of the Board, manages the affairs of the Board, including being satisfied that the Board is organized properly and functions effectively to meet its obligations and responsibilities. In addition, the Vice-Chair along with the Chief Executive Officer of the Corporation ensures effective relations with Board members, shareholders, other stakeholders and the public.

The Board has developed a Mandate for the Vice-Chair as well as for the Chair of the Board, which includes the following general duties and responsibilities:

- Vice-Chair acts as the principal sounding board and counselor for the Chief Executive Officer, including helping to define problems, set strategy, maintain accountability, build relationships and ensure that the Chief Executive Officer is aware of concerns of the Board, Shareholders and other stakeholders;

- Vice-Chair leads the Board in monitoring and evaluating the performance of the Chief Executive Officer, in ensuring the accountability of the Chief Executive Officer and in ensuring implementation of the succession and development plans by the Chief Executive Officer;
- Vice-Chair coordinates with the Chief Executive Officer to ensure that management's strategy, plans and performance are appropriately represented to the Board, shareholders and other stakeholders;
- In conjunction with the Chair of the Board, the Vice-Chair ensures that the Board has full governance of the Corporation's business and affairs; providing leadership to the Board and communicating with the Board to keep it up to date on all major developments; and
- In conjunction with the Chair of the Board, the Vice-Chair annually reviewing and assessing director attendance, performance and compensation, and the size and composition of the Board, in conjunction with any relevant committees of the Board.

**Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.**

The attendance record for all Board meetings and meetings of committees of the Board for each director of MAXIM during the most recently completed financial year is as follows:

Director	2021 Board/Committee Membership	Number of Meetings Attended	Percentage
Wiley Auch	Board	4 of 4	100%
	Audit and Risk	4 of 4	100%
	Compensation and Environment Health & Safety <sup>(1)</sup>	N/A	N/A
M. Bruce Chernoff	Board	3 of 4	75%
	Compensation and Environment Health & Safety <sup>(1)</sup>	N/A	N/A
Johann Polz	Board	4 of 4	100%
	Audit and Risk	4 of 4	100%
Brad Wall	Board	4 of 4	100%
W. Brett Wilson	Board	4 of 4	100%
	Audit and Risk	4 of 4	100%
	Compensation and Environment Health & Safety <sup>(1)</sup>	N/A	N/A
Michael Mayder <sup>(2)</sup>	Board	2 of 4	100%

**Note:**

(1) The Compensation and Environment Health & Safety Committee did not formally meet in 2021.

(2) Joined the Board on May 27, 2021 and attended 100% of 2021 meeting after joining the Board.

**Board Mandate**

**Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its roles and responsibilities.**

The Mandate of the Board is attached as Schedule 'A' hereto.

**Position Descriptions**

**Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the**

***chair and/or the chair of each Board committee, briefly describe how the Board delineates the roles and responsibilities of each such position.***

The Board has developed written position descriptions or terms of reference for the Chair of the Board, as well as for the Vice-Chair, the Board itself and for its Committees.

The terms of reference for a director include the following general rules and responsibilities:

- participating on Committees and becoming knowledgeable with the purpose and goals of the Committee; and
- understanding the process of Committee work, and the roles of management and staff in support of the Committee.

The terms of reference for Committees delineate generally the roles of each Committee Chair and provide, among other things, that:

- the Chair of each Committee may request a meeting where only independent Directors will attend;
- Committee Chairs will be selected by the full Board;
- Committee Chairs will preside at meetings and will be responsible to ensure that the work of the Committee is well-organized and proceeds in a timely fashion; and
- the Committee Chair, in consultation with Committee members and the Chief Executive Officer, will determine the agenda, frequency and length of meetings.

***Disclose whether or not the Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the Board and Chief Executive Officer have not developed such a position description, briefly describe how the Board delineates the roles and responsibilities of the Chief Executive Officer.***

The Board and the Chief Executive Officer have developed written terms of reference for the Chief Executive Officer, which provide that the Chief Executive Officer will:

- lead and manage the Corporation;
- report to the Board;
- recommend to the Board strategic directions for the Corporation's business, and when approved by the Board, successfully implement the corresponding strategic, business and operational plans;
- direct and monitor the activities of the Corporation in a manner that ensures agreed upon targets are met and that the assets of the Corporation are safeguarded and optimized in the best interests of all shareholders;
- develop and implement operational policies to guide the Corporation within the limits prescribed by the Corporation's by-laws and the framework of the strategic directions adopted by the Board;
- develop and maintain an annual (or more frequently if required) Board approved plan for the development and succession of senior management;
- manage and oversee the required interfaces between the Corporation and the public, and act as principal spokesperson for the Corporation;
- meet regularly and as required with the Vice-Chair other Board members to review material issues; and
- ensure that the Vice-Chair and other Board members are provided with all necessary information in a timely manner and with access to management to permit the Board to fulfill its statutory and other obligations.

**Orientation and Continuing Education**

***Briefly describe what measures the Board takes to orient new directors regarding:***

- (i) the role of the Board, its committees and its directors; and***
- (ii) the nature and operation of the issuer's business.***

Given the small size of the Corporation, the Board as a whole has taken responsibility for the orientation of new directors with respect to the role of the Board, its committees and its existing directors. In addition, new

directors meet with management to receive relevant information relating to the Corporation's business and affairs, and the opportunity to tour properties is provided.

***Briefly describe what measures, if any, the Board takes to provide education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.***

No formal continuing education program currently exists for the directors of the Corporation although the Corporation will pay for the cost of all appropriate courses. Based on the knowledge and experience of Board members, the Board believes that a formal education program is not currently required in order for each director to fulfill his role and meet his obligations to the Corporation and its Shareholders. In addition, the Corporation's legal counsel and auditors provide the Board and applicable committees with updates of new developments regarding corporate governance and regulatory requirements as they arise.

#### **Ethical Business Conduct**

***Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:***

- (i) disclose how a person or company may obtain a copy of the code;***
- (ii) describe how the Board monitors compliance with the code, or if the Board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and***
- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.***

The Corporation has adopted a Code of Conduct (the "**Code**") which is applicable to the directors, officers, employees, consultants and contractors (collectively "**Employee**" or "**Employees**") of the Corporation and its subsidiaries. A copy of the Code has been posted to our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Code is intended to guide activities to minimize situations where a conflict of interest could arise and where harm to the Corporation, its Employees could occur. The Code addresses responsibilities and values, insider trading, business relationships, entertainment, gifts and favours, compliance and monitoring. Adherence to the policy is monitored by management through routine supervisory practices. When an investigation results in a finding that the Code has been breached, the Employee who has breached the Code may, depending upon the seriousness of the breach, be subject to discipline including potential termination of employment.

MAXIM has not experienced any known conduct of an Employee that constitutes a departure from the Code requiring the filing of a material change report.

***Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.***

Pursuant to the Code, all directors have agreed to the following guidelines respecting conflicts of interest:

- directors shall avoid situations that may result in a conflict or perceived conflict between their personal interests and the interest of the Corporation and situations where their actions as directors are influenced or perceived to be influenced by their personal interests; and
- each director must at all times comply fully with applicable law and should avoid any situation which could be perceived as improper, unethical or indicative of a casual attitude towards compliance with the law.

In addition, each individual being considered for nomination as a director of the Corporation must disclose to the Board all interests and relationships of which the director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual is a director, the individual shall make immediate disclosure of all relevant facts to the Chair of the Board and Chief Executive Officer or to the Vice-Chair.

Lastly, in accordance with the *Business Corporations Act* (Alberta), directors who are a party to or are a director or an officer of a party to a material contract or material transaction are required to disclose the

nature and extent of their interest and to abstain from voting on any resolution to approve the contract or transaction.

***Describe any steps the Board takes to encourage and promote a culture of ethical business conduct.***

The Board provides leadership, supervision and support for the employees of the Corporation to uphold the principles articulated in the Code. The Board has also adopted a "Whistleblower Policy" with respect to accounting, environmental and safety matters whereby employees of the Corporation are able to raise concerns in a confidential, anonymous process.

**Nomination of Directors**

***Describe the process by which the Board identifies new candidates for Board nominations.***

Given the small size of the Board, each Board member is involved in the process of identifying candidates for Board nomination. Nominees for directors are then considered by the entire Board which reviews each candidate's qualifications and determines whether it would be appropriate to either invite a candidate to immediately join the Board between annual general meetings or nominate that candidate for election at the subsequent annual general meeting.

***If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.***

The Corporation does not currently have a nominating committee. As noted above, given the size of the Board, the process of identifying candidates, reviewing their qualifications and either appointing new directors or proposing nominees to the Shareholders are considered by the full Board.

**Compensation**

***Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.***

The Board has a Compensation Committee comprised of three (3) members including Mr. Wiley Auch, Mr. M. Bruce Chernoff and Mr. W. Brett Wilson. Mr. M. Bruce Chernoff is not independent as he is the Chief Executive Officer, however as Mr. Chernoff does not receive any compensation from the Corporation in his capacity as such, the Board and the Compensation Committee is satisfied that Mr. Chernoff's role as Chief Executive officer does not interfere with his judgment as a member of the Compensation Committee. The Compensation Committee can also hold scheduled meetings at which non-independent or members of management are not in attendance. Where matters arise at Compensation Committee meetings which require decision making and evaluation by independent or non-management directors, the meeting breaks into an *in camera* session among the independent or non-management directors.

***If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.***

Subject to the powers and duties of the Board, the Compensation Committee has the following responsibilities and powers:

- establishing a plan of continuity for executives and other key employees;
- ensuring a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the executive management and other key employees;
- taking all reasonable steps to ensure that policies and procedures exist in order that the Corporation meets or exceeds its legal requirements concerning environmental, health and safety practices;
- ensuring that any policy, process or evaluation should enhance MAXIM's corporate culture;
- the Compensation Committee shall regularly review the organization structure and report any significant organizational changes, along with the Compensation Committee's recommendations, to the Board;
- the Compensation Committee shall review and, if satisfied, approve annually, or more frequently as required, Management's succession plans for executive management, including specific development plans and career planning for potential successors;

- the Committee shall develop compensation philosophy and guidelines for Executive Management, for recommendation to the Board for its consideration and approval;
- the Compensation Committee shall review and fix the compensation of each member of executive management, and report its broad conclusions to the Board for its consideration and approval; and
- the Compensation Committee may recommend to the Board for consideration, approval, and establishment by the Board any stock option plan, pension plan or employee benefit plans to be granted to executive management and guidelines with respect thereto.

The Compensation Committee, upon the approval of the Board, may engage independent services for the provision of appropriate industry compensation data and trends.

***Describe the process by which the Board determines the compensation for the issuer's directors and officers.***

The Compensation Committee has the responsibility to assist the Board in establishing and reviewing compensation arrangements for the Corporation's executive officers. The Committee also reviews and recommends the compensation for directors.

Information regarding compensation of the Corporation's executive officers and directors can be found under the heading "*Statement of Executive Compensation - Compensation Discussion and Analysis - Compensation Governance*".

***If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.***

No compensation consultants or advisors were retained during the year ended December 31, 2021 to assist in determining compensation for any of the issuer's directors or officers.

**Other Board Committees**

***If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.***

In addition to compensation matters, the mandate of the Compensation Committee includes the review of environmental, health and safety matters within the Corporation, including that provided by contractors to the Corporation. The Board has also delegated the responsibility for oversight of compliance, risk assessment, and management to the Audit and Risk Management Committee.

In 2019, the Board also established a special committee to among other things, consider, and negotiate, for and on behalf of the Corporation, the transactions in respect of the Convertible Loan (as defined and explained under "*Interest of Informed Persons in Material Transactions*" below). From time to time such committee may meet to consider any matters with respect to the loan transactions.

**Assessment**

***Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.***

Given the size of the Board, there is currently no formal process of assessing the effectiveness and contributions of the Board, its committees and individual directors. However, such items as attendance at Board and committee meetings, overall contributions and the competencies and skills of individual directors are being assessed and evaluated on an ongoing basis, having regard to the Board's Mandate.

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

***Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other***

***mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.***

The Board has not adopted term limits for directors. The Board does not believe that fixed term limits are in the best interest of MAXIM. When proposing nominees for nomination as directors, the Board considers the term of service of individual directors, the average term of the Board as a whole and turnover of directors over prior years. Furthermore, the Board believes that there are benefits derived from regular renewal in the context of the needs of the Board at the time together with the benefits from having a Board whose members are familiar with MAXIM and its business through past service.

#### **Policies Regarding the Representation of Women on the Board**

***Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.***

While the gender of nominee directors will be reviewed and considered as a factor in the selection of suitable candidates for election to the Board, as is noted below, the selection of director nominees is made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time and not on the basis of their age, gender, race, ethnicity or religion.

The Board has adopted a written Board and Management Diversity and Term Limit Policy (the "**Diversity Policy**"). As is stated in the Diversity Policy, the Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. MAXIM is committed to the principle of selecting director nominees based on their abilities and merit and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve MAXIM's business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of MAXIM and its stakeholders.

In addition to the description of the Diversity Policy above, the Board has also established a "skills matrix" outlining the skills and experience it believes are required by the members of the Board. This skills matrix is regularly reviewed by the Board and updated as necessary. The skills and experience of the current directors of MAXIM are regularly assessed by Board members to determine whether the Board needs to be strengthened in any area. In addition to considering the skills and experience of the Board, the Board also assesses the knowledge and character of all new nominees to the Board to ensure general compliance with the skills matrix.

In order to fill vacancies in the Board, a list of potential nominees is prepared. In establishing this list, the Board considers both the criteria outlined above and Board diversity. The Board is authorized to retain experts to assist them in "board searches" for qualified candidates.

#### **Consideration of the Representation of Women in the Director Identification and Selection Process**

***Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level or representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reason for not doing so.***

While the gender of nominee directors will be reviewed and considered as a factor in the selection of suitable candidates for election to the Board, the selection of director nominees is made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time and not on the basis of their age, gender, race, ethnicity or religion.

The skills and experience of the current directors of MAXIM are regularly assessed by Board members to determine whether the Board needs to be strengthened in any area. To the extent that the skills and experience of the Board needs to be strengthened in any area, the Board considers the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve MAXIM's business objectives, without reference to their age, gender, race, ethnicity or religion.

#### **Consideration Given to the Representation of Women in Executive Officer Appointments**

**Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.**

The Diversity Policy states the belief of the Board of MAXIM that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of management at the time. MAXIM is committed to the principle of hiring executive officers based on their abilities and merit and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve MAXIM's business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of MAXIM and its stakeholders.

The Board annually reviews appointments to executive officer positions to ensure that individuals with the appropriate skills, knowledge, experience and character are being fairly considered.

**Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

- (a) For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.**
- (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.**
- (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.**
- (d) If the issuer has adopted a target referred to in either (b) or (c), disclose:**
  - (i) the target; and**
  - (ii) the annual and cumulative progress of the issuer in achieving the target.**

The Board recognizes the benefits of diversity within the Board and within management of MAXIM but will not compromise the principles outlined in the Diversity Policy and noted above by imposing quotas or targets.

**Number of Women on the Board and in Executive Officer Positions**

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.**
- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.**

The Corporation currently has one woman in an executive position and has nominated a woman for a position on the Board (comprising 16.7% of such positions).

**INTEREST OF CERTAIN PERSONS OR COMPANIES 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 last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed elsewhere herein and below, none of our directors, officers, principal shareholders, or informed persons (as defined in National Instrument 51-102), and no associate or affiliate of any of them, has or has had any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transactions which has materially affected or would materially affect the Corporation.

On September 10, 2019, MAXIM entered into a credit agreement with two related parties, Alpine Capital Corp. and Prairie Merchant Corporation, with respect to a \$75 million, one-year, 12% per annum, revolving, secured loan (the "**Convertible Loan**"). On October 3, 2019, conversion pricing of the Convertible Loan was increased from \$1.90 per share to \$2.25 per share and an additional extension of six months was added to the loan. Alpine Capital Corp. is a company majority owned by M. Bruce Chernoff, a director, Chair of the Board, Chief Executive Officer and significant shareholder of the Corporation and Prairie Merchant Corporation is a company owned and controlled by W. Brett Wilson, a director and significant shareholder the Corporation. The drawn amounts under the Convertible Loan (including accrued interest) of up to \$75 million, may be converted at the election of each lender based on their respective sharing percentage of funds advanced and owing thereunder (being 50/50) at a conversion price of \$2.25 per share, resulting in the maximum number of Common Shares that may be acquired by each lender on conversion of the Convertible Loan (assuming such loan is fully drawn) of 16,666,667 Common Shares. On December 19, 2019, MAXIM entered into an additional senior secured credit agreement with ATB Financial (ATB) and in connection therewith, the lenders under the Convertible Loan agreed to subordinate the security granted under the Convertible Loan to the security granted to ATB under the ATB credit agreement and agreed that repayment of Convertible Loan principal will not otherwise be permitted during the initial thirty-five month term of the ATB loan. On November 6, 2020, the Convertible Loan Agreement was amended to allow for up to 4 additional extensions of the Convertible Loan with the final maturity date no later than March 25, 2023. On June 30 2021, the Convertible Loan Agreement was amended to extend the maturity date to September 25, 2026. Total interest and fees paid under the Convertible Loan (not including the amendment fee) was \$3.9 million in 2021 and as at December 31, 2021, the Corporation had \$29.4 million outstanding under the Convertible Loan.

#### **ADDITIONAL INFORMATION**

Additional financial information is provided in the Corporation's audited financial statements and management's discussion and analysis for the most recently completed fiscal period ended December 31, 2021. The Corporation will provide to any person upon request, the Corporation's audited consolidated financial statements and related management's discussion and analysis contained for the period ended December 31, 2021, together with the report of the auditors thereon, and one copy of the Corporation's interim consolidated financial statements subsequent to such audited consolidated financial statements and a copy of this Management Information Circular. These documents can be obtained free of charge by accessing the Corporation's website at [www.maximpowercorp.com](http://www.maximpowercorp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## SCHEDULE 'A'

### MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Maxim Power Corp. ("**MAXIM**") is responsible for the stewardship of MAXIM and its subsidiaries. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of MAXIM. In general terms, the Board will:

- (a) in consultation with the management of MAXIM (the "**Management**"), define the principal objectives of MAXIM;
- (b) monitor the management of the business and affairs of MAXIM with the goal of achieving MAXIM's principal objectives as defined by the Board;
- (c) discharge the duties imposed on the Board by applicable laws; and
- (d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

#### **Strategic, Operating and Capital Plans and Financing Plans**

- require Management to present annually to the Board a long-range strategic plan and a shorter range operating plan, which plans must:
  - be designed to achieve MAXIM's principal objectives; and
  - identify the principal strategic and operational opportunities and risks of MAXIM's business;
- review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- ensure Management is taking all reasonable steps to identify the principal risks of MAXIM's business and to implement the appropriate systems to monitor and manage these risks;
- approve the annual operating and capital plans;
- approve all amendments or departures from established operating and capital plans;
- approve limits on Management's authority to conduct acquisitions and dispositions of assets and corporations;
- approve the establishment of credit facilities and borrowings;
- approve issuances of additional common shares or other securities; and
- establish appropriate limits of authority delegated to Management.

#### **Monitoring and Acting**

- monitor MAXIM's progress towards its goals, and to revise and alter its direction through Management in light of changing circumstances;
- monitor overall human resource policies and procedures, including compensation and succession planning;
- appoint all of the officers and determine the terms of employment with MAXIM of all of such officers;
- monitor and evaluate the performance of senior Management at least annually based on criteria which include the performance of MAXIM, the accomplishment of MAXIM's principal objectives and other objectives which are established at the beginning of each year;
- in consultation with the Compensation and Environment, Health and Safety Committee, approve the compensation of the officers of MAXIM;
- approve the dividend policy of MAXIM;

- ensure systems are in place for the implementation and integrity of MAXIM's internal control and management information systems;
- monitor the "good corporate citizenship" of MAXIM, including compliance by MAXIM with all applicable safety, health and environmental laws and review and consideration of applicable environmental, social and related governance policies, practices and programs of MAXIM;
- establish the code of business conduct (the "Code") to be observed by all officers, employees and consultants of MAXIM, and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
- review departures from the Code, disclosing departures from the Code by filing material change reports for material departures from the Code to disclose, among other things:
  - the date of the departure(s);
  - the party(ies) involved in the departure(s);
  - the reason why the Board has or has not sanctioned the departure(s); and
  - any measures the Board has taken to address or remedy the departure(s).
- review, consider and where deemed appropriate, approve all matters relating to a takeover bid or other significant corporate transaction involving MAXIM.

#### **Compliance Reporting and Corporate Communications**

- ensure compliance with applicable regulatory, corporate, securities and other reporting obligations of MAXIM;
- before dissemination to the public, review and approve MAXIM's financial statements and all other financial disclosure, and ensure that MAXIM's financial results are prepared and reported in compliance with applicable audit, accounting and reporting requirements;
- recommend to shareholders of MAXIM a firm of chartered accountants to be appointed as MAXIM's auditors;
- ensure the timely reporting of any change in the business, operations or capital of MAXIM that would reasonably be expected to have a significant effect on the market price or value of the common shares of MAXIM;
- establish a process for direct communications with shareholders and other stakeholders through appropriate directors, including through MAXIM's whistleblower policies; and
- ensure that MAXIM has in place a policy to enable MAXIM to communicate effectively with its shareholders and the public generally.

#### **Governance**

- in consultation with the Chair of the Board, develop a position description for the Chair of the Board and review the adequacy of such position description on a regular basis;
- facilitate the continuity, effectiveness and independence of the Board by, among other things:
  - if it is determined appropriate by the Board to do so, appointing a Chair of the Board who is not a member of Management;
  - appointing from among the directors an audit committee and such other committees of the Board as the Board deems appropriate;
  - defining the mandate of each committee of the Board and the terms of reference for the chair of each committee and reviewing the adequacy of such mandates and terms of reference on a regular basis;
  - ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each director, each committee of the Board and the chair of each committee of the Board; and
  - establishing a system to enable any director to engage an outside adviser at the expense of MAXIM;

- regularly review the composition of the Board and its committees and assess directors' qualifications and performance. As necessary, propose any new members of the Board to fill vacancies which may arise;
- on a timely basis, approve the contents of MAXIM's Information Circular prepared for each year's annual shareholders meeting which sets out (i) the slate of directors proposed to be elected at the annual meeting including any proposed new members of the Board, and (ii) a confirmation as to the "independence" of a majority of the members of the Board;
- review regularly the adequacy and form of the compensation of directors to ensure that it reflects the responsibilities and risks involved in serving as a director; and
- annually, the Board will review its mandate and assess whether this mandate is being met.

#### **Delegation**

- subject to applicable law, the Board may delegate its duties to and receive reports and recommendations from any committee of the Board to assist the Board in the performance of its duties.

#### **Composition**

- a majority of Board members should be "independent" Directors as such term is defined in National Instrument 52-110 *Audit Committees*; and
- members should have or obtain sufficient knowledge of the nature and operation of MAXIM's business to assist in providing advice and counsel on relevant issues.

#### **Meetings**

- the Board shall meet at least four times per year (regular quarterly meetings) in addition to such other additional meetings as deemed appropriate by the Chair of the Board;
- the Board shall meet at the end of its regular quarterly meetings and, if deemed appropriate by the Chair of the Board, at the end of its other meetings without members of management being present;
- following each meeting, draft minutes of the meeting will be provided promptly to the Board with such minutes to be submitted for adoption at the subsequent meeting of the Board;
- Management will distribute materials for regularly scheduled meetings of the Board and committees of the Board to directors at least seven days in advance of such meetings to allow for sufficient review of the materials prior to the meeting;
- directors are expected to attend all meetings of the Board and all meetings of committees of the Board of which they are a member;
- senior Management shall be available to attend all meetings of the Board or committees of the Board upon invitation by the Board or any such committee; and
- Vice-Presidents and such other staff as appropriate to provide information to the Board or whom are appropriate to appear before the Board shall attend meetings at the invitation of the Board.

#### **Reporting / Authority**

- supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any director upon request;
- the Board shall have the authority to review any corporate report or material and to investigate activity of MAXIM and to request any employees to cooperate as requested by the Board; and
- the Board may retain persons having special expertise and obtain independent professional advice to assist in fulfilling its responsibilities at the expense of MAXIM.

