

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Namsys Inc.
Suite 1400
141 Adelaide Street West
Toronto, ON
M5H 3L5

Item 2 Date of Material Change

July 2, 2019

Item 3 News Release

Namsys Inc. (the “Company”) issued a press release on July 10, 2019.

Item 4 Summary of Material Change

The Long Term Bonus Plan for Employees of the Company (the “Plan”) established June 29 2015 has been amended to ensure the continued inclusion of the Company’s President and Chief Operating Officer, who became a Director of the Company April 24, 2018. Under the previous resolution, Directors were not allowed to participate in the Plan. The amendment corrects this inadvertent cancellation of Mr. Siemens’ participation.

Under a new Employment Agreement between Mr. Siemens and the Company, certain termination events will permit payment under the Plan, as will the lack of a triggering “change of control” event by December 31, 2021.

Item 5 Full Description of Material Change

The changes to the Plan were approved and completed in two stages:

1. The Resolution of Directors pursuant to Section 129 of the Business Corporations Act (Ontario), whereby the President and Chief Operating Officer of the Company, who is also a Director of the Company, is entitled to participate in the Plan. This amendment was unanimously approved by the Company’s Board of Directors on June 25, 2019. This change by itself, is not deemed to be a material change to the previous Plan approved and disclosed on June 29, 2015. Mr. Siemens was included in the Plan from its inception, but by becoming a

Board Director he was inadvertently blocked from participating in the Plan. The amendment to the document is solely to reinstate his participation in the Plan.

2. An “Employment Agreement” entered into with Jason B. Siemens, the President and Chief Operating Officer of the Company was completed and approved on July 2, 2019. Such Employment Agreement has two clauses, which if either are activated, would cause a Material deviance from what would normally be anticipated under the Plan.

The two clauses are as follows:

A. In the event of Mr. Siemens being terminated without cause or upon his death, Mr. Siemens or his estate will be entitled to 40% of the Plan, with the value of the Plan at that date determined by the weighted average trading price of the Company on the TSX-V Exchange for the 20 trading days preceding the termination event, multiplied by the total number of common shares outstanding on the date of termination.

B. If a termination event as set out above or a change of control event as set out in the Plan resolution has not occurred before December 31, 2021, Mr. Siemens will have the right to receive 40% of the Plan value as calculated in “A” above as of December 31, 2021.

Item 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

No information has been omitted from this material change report.

Item 8 **Executive Officer**

K. Barry Sparks
Chief Executive Officer
416-861-1474

Item 9 **Date of Report**

July 10, 2019