



Report to Shareholders

March 22, 2019

Enclosed is Namsys' Notice of Annual Meeting along with our Information Circular and Request for Annual and Interim Financial Statements.

Management's Discussion and Analysis of the results for fiscal 2018 along with the Company's Annual Financial Statements are available electronically at www.sedar.com.

The Cirreon™ group of product applications, which permit the Company to offer our solutions to customers on a software as a service basis ("SaaS"), continue to attract new customers. While we also offer our products by way of term licenses, the "Cirreon™" offerings are usually a much easier sale, as the client doesn't have to upgrade systems or pay upfront fees to benefit from the "Namsys" solutions.

We are very pleased with the continued positive results achieved by our team in 2018. A great deal of this success is due to having strong distributors that recognize the significant benefits available to their clients in utilizing the "Cirreon™" solutions in their businesses. As we move forward in 2019 and beyond, the ongoing development and expansion of distribution is paramount to increasing sales and profitability. We believe we have an effective team to deal with these challenges and remain optimistic that our unique solutions will continue to be adopted by new clients at an accelerated rate.

On behalf of Management, thank you for your support. We would also like to thank our employees as well as our Board of Directors for their continued guidance and dedication.

K. Barry Sparks,
Chief Executive

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**NOTICE OF ANNUAL MEETING
OF THE SHAREHOLDERS**

OF

NAMSYS INC

**to be held on
April 24, 2019**

NOTICE IS HEREBY GIVEN that the Annual Meeting (the “**Meeting**”) of the holders of Common Shares of Namsys Inc. (the “**Corporation**”) will be held in a boardroom at Gowling WLG (Canada) LLP, Suite 1600, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1G5 on Wednesday, April 24, 2019 at 11:00 a.m. (Toronto time) for the following purposes:

- (a) to elect directors of the Corporation for the ensuing year;
- (b) to appoint the Auditor of the Corporation for the ensuing year and to authorize the Directors of the Corporation to fix the remuneration to be paid to the auditor; and
- (c) to transact such other business as may properly be brought before the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Form of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the Information Circular. **A Proxy will not be valid unless it is deposited at the offices of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not less than 48 hours (excluding, Saturdays and holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxyholder need not be a shareholder of the Corporation.**

Only holders of Common Shares of record as of the close of business on March 20, 2019 are entitled to receive notice of the Meeting.

DATED at Toronto this 20th day of March, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

Chief Executive

INFORMATION CIRCULAR

Annual Meeting of Shareholders of

NAMSYS INC.

to be held on April 24, 2019

SOLICITATION OF PROXIES

This information circular (the “Information Circular”) is furnished in connection with the solicitation by the management of Namsys Inc. (the “Corporation”) of proxies to be used at the annual meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation, which is to be held at the time and place and for the purposes set forth in the accompanying notice of annual meeting (the “Notice”). Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, oral communication or facsimile by the directors, officers and regular employees of the Corporation at no compensation. The cost of the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders and Revocation of Proxies

The persons appointed to attend, act and vote on behalf of Shareholders in the accompanying Form of Proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to represent the Shareholder at the Meeting, other than the person or persons designated in the Form of Proxy furnished by the Corporation. To exercise this right, the Shareholder must either strike out the names of the persons specified in the Form of Proxy and insert the name of the other person in the blank space provided on the Form of Proxy or submit another appropriate form of proxy.** A Proxy will not be valid unless it is deposited at the offices of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not less than 48 hours (excluding Saturdays and holidays) before the time of the Meeting, or any adjournment thereof.

A Shareholder who has submitted a proxy may revoke it by (a) depositing an instrument in writing signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer, either: (i) at the offices of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, (b) transmitting, by telephonic or electronic means, a revocation that complies with paragraph (i) or (ii) above and that is signed by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be, or (c) in any other manner permitted by law, including the Shareholder personally attending at the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a representative of that corporation attending at the Meeting and voting such securities.

Exercise of Discretion by Proxyholders

The persons named in the accompanying Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them, on any ballot that may be called for at the Meeting. **In the absence of such direction, the Common Shares will be voted in favour of each of the matters specified in the Notice.** The accompanying Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the Notice of Meeting and with respect

to other matters that may properly be brought before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments, variations or other matters to be brought before the Meeting.

Signing of Proxy

The Form of Proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer. A Form of Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation). A Shareholder or any attorney may also sign the Form of Proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the Shareholder or the attorney, as the case may be.

Voting of Common Shares

As at March 20, 2019, there were 27,286,332 Common Shares of the Corporation issued and outstanding, each carrying the right to one vote on all matters to be voted upon at the Meeting. Only persons registered as holders of Common Shares on the books of the Corporation as of March 20, 2019 (the "**Record Date**") are entitled to receive notice of and to vote at the Meeting.

Advice to Beneficial Holders of Common Shares

The information set out in this section is of significant importance to many holders of Common Shares, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person or that the shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

In Canada, the majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("Broadridge"). Broadridge typically supplies a special sticker to be attached to the proxy forms and asks Beneficial Shareholders to return the completed proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a proxy from Broadridge cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to instruct Broadridge how to vote the shares.**

Management does not intend to pay for intermediaries to forward to objecting beneficial owners proxy-related materials. Objecting beneficial owners will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

Principal Holders of Common Shares

To the knowledge of the directors and officers of the Corporation, as at March 20, 2019, no person or company beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation except for K. Barry Sparks who beneficially owned or exercised control or direction over 10,233,086 Common Shares representing 37.5% of the issued and outstanding Common Shares.

ELECTION OF DIRECTORS

The Board of Directors of the Corporation currently consists of seven members. It is proposed that seven directors be nominated for election at the Meeting. Unless the Shareholder has specified in the enclosed Form of Proxy that the Common Shares represented by such proxy are to be withheld from voting in respect of the election of directors, the persons named in the enclosed Form of Proxy intend to vote for the election of each of the individuals set forth in the Proxy and as indicated in the table below, as a director of the Corporation. Each nominee elected as a director will hold office until the next annual meeting of the shareholders of the Corporation or until his successor is duly elected, unless his office is vacated earlier in accordance with the by-laws of the Corporation.

The following table and the notes thereto set forth the names of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupation or employment during the past five years, the periods during which they have served as directors of the Corporation and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the date hereof.

Name and Municipality of Residence	Positions Currently Held	Principal Occupation	Director Since	Number of Common Shares⁽¹⁾
E. Christopher Stait-Gardner ⁽²⁾⁽³⁾ Vaughan, Ontario	Chairman and Director	Corporate Director	January 2000	591,000 ⁽⁵⁾
K. Barry Sparks ⁽²⁾ Toronto, Ontario	Chief Executive Officer and Director	President, Torvan Capital Group (a division of Ashley Park Enterprises Inc.), corporate finance, advisory and management company	February 1997	10,233,086 ⁽⁴⁾
Jason B. Siemens Beeton, Ontario	President & Chief Operating Officer	President and Chief Operating Officer – Namsys Inc. since November 2015; prior to November 2015 Vice-President Operations Namsys Inc.	April 2017	224,000
Leslie T. Gord ⁽²⁾ Toronto, Ontario	Corporate Secretary and Director	Retired; prior to December 2012, Partner, Gowling Lafleur Henderson LLP, law firm	April 1999	15,000
G. James Johnson ⁽³⁾ St. Petersburg, Florida	Director	Self-employed financier	February 1997	200,000
H. Joe Prodan ⁽³⁾⁽⁶⁾ Toronto, Ontario	Director Vice-Chairman Audit Committee	Chief Financial Officer Flexiti Financial Inc. since July 2018; Corporate Consultant from March 2017 to July 2018; Chief Financial Officer, Terago Inc. from February 2014 to March 2017; Corporate Consultant from April 2013 to February 2014; Chief Financial Officer Data & Audio-Visual Enterprises Holdings Inc. and its affiliates (collectively “Mobility”) from October 2009 to April 2013.	April 2017	
Nicole A. Sparks Waltham, Massachusetts	-	Realtor–Realty Executives of Middlesex County since November 2016; from April 2014 to November 2016 Realtor with Century 21 Commonwealth; from June 2013 to April 2014 self-employed website producer and manager; from March 2011 to June 2013 Core Operations Manager, Communispace, Inc.	April 2018	

- (1) Information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.
- (2) Member of Human Resources and Governance Committee.
- (3) Member of Audit Committee.
- (4) Includes 8,555,280 Common Shares owned by Ashley Park Enterprises Inc. (“**Ashley Park**”), a company controlled by K. Barry Sparks.
- (5) Includes 500,000 Common Shares owned by Stait-Gardner Holdings Inc. of which E. Christopher Stait Gardner serves as President and 30,000 Common Shares owned by an affiliate company, 1034997 Ontario Limited.
- (6) From October 2009 until April 2013 Mr. Prodan served as Chief Financial Officer of Data & Audio-Visual Enterprises Holdings Inc. and its affiliates (collectively “Mobility”), which subsequently filed and was granted *Companies’ Creditors Arrangement Act (CCAA)* protection on September 30, 2013.

STATEMENT OF CORPORATE GOVERNANCE

The Corporation's Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of Canadian corporations. A description of the Corporation's corporate governance practices, which addresses the matters set out in Form 58-101F2 Disclosure of Corporate Governance Practices of the Canadian Securities Administrators, is set out below:

Board of Directors

Except for K. Barry Sparks and Jason B. Siemens, Chief Executive and President of the Corporation respectively, all other proposed directors of the Corporation are independent. An independent director is a director who does not have a direct or indirect relationship with the Corporation that would or could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of his or her independent judgment.

Directorships

The following members of the Board of Directors serve as directors of the other reporting issuers set out opposite their names:

E. Christopher Stait-Gardner	- Metalo Manufacturing Inc.
K. Barry Sparks	- Dundee Corporation - Metalo Manufacturing Inc. - World Wide Minerals Ltd.

Orientation and Continuing Education

While the Corporation does not have a formal continuing education program, the Directors individually and as a group read and have discussed the wide range of articles and papers on evolving issues in corporate governance available from a variety of institutions and legal firms. The Human Resources and Corporate Governance Committee has ensured that the necessary policies have been presented to the Board of Directors for consideration and adoption to comply with regulatory governance requirements. These policies have not been adopted lightly by the Board of Directors. Rather, they have been discussed fully at regularly convened Board of Directors meetings. The policies adopted and implemented include the Charter of the Audit Committee (attached as Appendix A to this document), a Code of Business Conduct and Ethics, a Whistleblower Policy and related procedures, as well as an Insider Trading Policy. The Corporation's orientation of new directors includes a review of the minutes of all Board of Director meetings over the past two years and attendant press releases, along with a review of all standing policies of the Board of Directors. As well, new directors are expected to independently meet with individual officers and other directors; and to completely review the Corporation's business plan and strategies.

Ethical Business Conduct

As noted above, the Board of Directors has adopted and implemented a Code of Business Conduct and Ethics, a Whistleblower Policy and related procedures, as well as an Insider Trading Policy, as steps to encourage and promote a culture of ethical business conduct within the Corporation.

Board Committees

The Board of Directors maintains two standing committees:

- Audit Committee - all members are independent of management;
- Human Resources and Corporate Governance Committee - Mr. Sparks, the only non-independent director, is a member of this Committee which also comprises Messrs. Gord and Stait-Gardner.

At the end of each meeting of these Committees, the independent members of the Committee meet privately without Management to discuss issues amongst themselves.

There are no other standing committees of the Board of Directors. However, as necessary, the Board of Directors has on occasion formed ad hoc committees to deal with matters requiring special attention. Additionally, the independent members of the Board of Directors periodically, meet in camera, independent of management.

Assessment of Directors

The Board of Directors does not have a formal process for assessing the performance of the Board of Directors, its Committees or individual directors. However, given the size of the Board of Directors, all members contribute effectively and have an excellent working relationship and attendance record.

Nomination of Directors

The Human Resources and Corporate Governance Committee (“**HR&CG**”) also serves as the Nominating Committee for new Directors. The objective with respect to the composition of the Board of Directors is to have the necessary range of skills, expertise and experience in relation to the Corporation’s business. As such, nominees for election as directors are chosen for their ability to contribute to the range of issues with which the Board of Directors must deal. As a matter of policy, the HR&CG will receive suggestions for candidacy to the Board of Directors from individual directors, the Chief Executive Officer and, if required, from professional search organizations.

Compensation of Directors & CEO

Given the size of the Corporation, it is difficult to adequately compensate directors for their time, effort and diligence. Effective November 1, 2016, the Corporation decided to pay independent directors of the Board an annual retainer of \$10,000 (\$2,500 per quarter). Also, commencing with fiscal 2017 the Corporation has approved the payment of \$800 per meeting of the Board of Directors attended and \$600 per committee meeting attended, payable only to non-management members of the Board. Directors also qualify for inclusion in the Corporation’s Stock Option Plan (no options are presently issued and outstanding under the Stock Option Plan). Additional information regarding the compensation of directors, as well as information regarding the compensation of the CEO, is included in this Information Circular under the section entitled “Statement of Executive Compensation”.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors is currently comprised of H. Joe Prodan (Chairman), G. James Johnson, and E. Christopher Stait-Gardner, each of whom is independent and financially literate, as those terms are defined in National Instrument 52-110 Audit Committees (“**NI 52-110**”). The mandate of the Audit Committee is set forth in Schedule “A” to this Information Circular.

The education and experience of each member relevant to the performance of such member’s responsibilities as an Audit Committee member are as follows:

H. Joe Prodan – Mr. Prodon is a seasoned financial executive who has held several senior leadership roles in technology companies with recurring revenue streams such as Sirius XM Radio, Mobilicity, Terago and Bell Expressvu. He is a professional chartered accountant possessing the CPA/CMA designation. He holds an Honours Bachelor of Arts degree in Economics from Wilfrid Laurier University.

G. James Johnson – Prior to becoming a self employed financier, Mr. Johnson was a career corporate banker with his last banking assignment being a six year posting as Senior Vice President and General Manager of the Toronto Commercial/Corporate Banking Division of the Royal Bank of Canada. He holds a Diploma in Financial Management from Stanford University in California, USA and is a student of changing government and regulatory rules and regulations.

E. Christopher Stait-Gardner – A Graduate of Engineering Physics from the University of Toronto, Mr. Stait-Gardner was the President and a director of Giesecke and Devrient Canada Inc. from 1996 to 1999 following its acquisition of Security Card Systems Inc., a business he and his family owned from 1989 and of which Mr. Stait-Gardner had been President. Prior to 1989, he held executive officer positions within a variety of companies including NBS Transaction Services Inc., Bank of Montreal, Hudson's Bay Company and IBM Canada Limited. Mr. Stait-Gardner has also served as Vice Chairman, Interac Association, President, MasterCard Association of Canada and was a member of the Senior Planning Committee of the Canadian Payments Association, the Canadian Bankers Association, Interbank Operations Committee and the Retail Counsel of Canada, Systems Committee. He also previously served as a member of the Board of CIRRUS Systems Inc. of Chicago.

Since the commencement of the Corporation's most recently completed financial year:

- (a) no recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board of Directors; and
- (b) the Corporation has not relied on any exemption from NI 52-110.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Audit Fees

During each of the financial years ended October 31, 2018 and 2017, the aggregate audit fees billed by the auditor were \$30,000 and \$30,000 respectively, plus HST each year.

Audit Related Fees

During each of the financial years ended October 31, 2018 and 2017, no fees were billed by the auditor for assurance and related services that are not reasonably related to the performance of the audit or review of the Corporation's financial statements and included under "Audit Fees" above.

Tax Fees

During each of the financial years ended October 31, 2018 and 2017, no fees were billed by the auditor for professional services rendered with respect to compliance, tax advice and tax planning.

All Other Fees

During each of the financial years ended October 31, 2018 and 2017, no fees were billed by the auditor for products and services, other than as disclosed above.

APPOINTMENT OF AUDITOR

The auditor of the Corporation is Flabbi & Associates LLP, Chartered Accountants. Unless the Shareholder has specified in the enclosed Form of Proxy that the Common Shares represented by such proxy are to be withheld from voting in respect of the appointment of the auditor, the persons named in the enclosed Form of Proxy intend to vote for the appointment of Flabbi & Associates LLP, Chartered Accountants, as the auditor of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation or until its successor is appointed and to authorize the directors of the Corporation to fix the remuneration of the auditor.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis - Background

The Corporation is a Canadian company which is an active participant in the development and production of currency inventory management and control systems for financial institutions, retailers, currency carriers, casinos and mass transit operators as well as various government agencies.

Compensation Governance

The Board of Directors has appointed a Human Resources and Corporate Governance Committee (the “HR&CG”), the primary HR responsibilities of which are to:

- Establish, with Board approval, the Corporation’s Executive Compensation Policy;
- Establish a mandate for the Corporation’s Chief Executive Officer (the “CEO”), and subject to Board approval, the compensation of the CEO and the Chairman;
- Oversee succession planning for senior management of the Corporation;
- Oversee the administration of the Corporation’s Stock Option Plan; and
- Monitor the effectiveness of the Compensation Policies:
 - (1) as such policies relate to retention and motivation of the employees of the Corporation and;
 - (2) to the extent possible to ensure such policies do not encourage inappropriate or excessive business risk taking by officers and other employees, which may be detrimental to the Corporation.

The HR&CG is currently comprised of E. Christopher Stait-Gardner (Chairman), Leslie T. Gord and K. Barry Sparks. Messrs. Stait-Gardner and Gord are independent directors while Mr. Sparks is not. While none of the Committee members are professionals in the field of executive compensation, both Mr. Stait-Gardner and Mr. Sparks have considerable experience in hiring, managing and reaching compensation arrangements with corporate executives. Mr. Gord, as a now retired long-standing partner of a large legal firm which specializes in dealing with corporations, has had extensive experience in the establishment of policies related to executive compensation.

Given the relatively small size of the Corporation, no compensation consultant or advisor has been retained to assist the Board or the HR&CG in determining compensation for executive officers, or in establishing compensation policies and objectives.

Compensation Policy and Objectives

The guiding policy of the HR&CG in making its determination relating to compensation is that “Pay for Performance” is balanced against the need to provide a total compensation package that will enable the Corporation to attract and retain qualified and experienced individuals.

The objectives of the Corporation’s compensation program are to:

- Attract and retain qualified and experienced individuals at all levels of the organization;
- Align the compensation level of each officer with his or her level of responsibility;
- Motivate officers and employees to establish and achieve short and long term goals focusing on creating value, within acceptable business risk parameters, for the Corporation’s shareholders; and
- Reward officers and employees for superior performance, based upon the premise that the Corporation must be profitable before for such rewards can be made.

Elements of Compensation

During fiscal 2018, the compensation of the Corporation’s executive officers, including its Named Executive Officers (as defined below), consisted of five elements: base salary, annual cash bonus, employee share ownership and long term incentive entitlement program, group benefits and executive perquisites.

- **Base Salary**

The primary role of an officer’s base salary is to reflect the skills, competencies, experience and performance assessment of the officer. Base salary levels also reflect salaries offered for positions involving similar responsibilities and complexities at other companies and are affected by internal equity comparisons. Competitive base salaries enable the Corporation to attract and retain qualified individuals. Base salary also aligns the compensation level of each officer to his or her level of responsibility. Base salary is linked to other elements of compensation as it influences the determination of the annual cash bonus and some group benefits and perquisites.

In general, the HR&CG reviews the base salary of all executive officers on an annual basis taking into account the individual’s role, responsibilities, experience and prior performance, as well as market data when available. The HR&CG also considers total compensation of an executive officer, to ensure it remains aligned with the Corporation’s compensation policy.

- **Annual Cash Bonus**

The annual cash bonus is the incentive element of the total compensation package for each officer and is intended to compensate employees for the financial results achieved by the Corporation, strategic positioning and other achievements based upon the specific individual’s contribution. The annual cash bonus is intended to motivate officers to establish and achieve goals focused on creating value for the Corporation’s shareholders and to reward the officers for superior performance. Annual cash bonuses are rewarded based upon the financial performance of the Corporation as measured against the

operating plan approved by the Board. The corporate objectives involve a combination of targets with annual cash bonuses only being paid in a given year to the extent that the Corporation has generated sufficient net income to cover its pre tax expenses. Thereafter, the Corporation accrues a percentage of certain revenue stream targets which are then divided amongst the officers and employees responsible for achieving the stated goals. While there is some subjectivity to this process, the President and the CEO must be in mutual agreement as to the individual awards which are then reviewed by the HR&CG Committee prior to the award being finalized.

The HR&CG Committee develops its own determinations with respect to an annual bonus for the CEO and Chairman, subject to final Board of Directors approval, with the CEO abstaining from the Board's approval process.

- Employee Share Ownership Program

In 1998, the Corporation introduced and shareholders approved a Stock Option Plan (the “**Option Plan**”) for directors, officers, and both regular and contract employees. The Corporation has not granted options under the Option Plan since fiscal 2003. There are no options currently outstanding under the Option Plan nor are there plans to issue options until the Board of Directors is satisfied that a grant of Options will result in a positive result in terms of employee motivation given potential changes to the *Income Tax Act* (Canada).

Under the Option Plan, options may be granted at the discretion of the Board of Directors to directors, officers, full time and part time employees of the Corporation and other persons who in certain circumstances perform services for the Corporation (the “**Optionee**”). The aggregate number of Common Shares for which options may be granted shall not exceed 2.5 million in the aggregate and, in accordance with the terms of the Option Plan, the exercise price per Common Share cannot be lower than the “market price” (as that term is defined by the TSX Venture Exchange) of the Common Shares at the time of the grant.

The period during which an option is exercisable may not, subject to the provisions of the Option Plan, extend beyond five years and the vesting period of any grants under the Option Plan is one-third of the grant on the anniversary of such grant, such that the options are fully vested after the third year.

Subject to the term of the option and to the extent the Optionee is entitled to exercise the option: (i) any option held by an Optionee upon termination of employment for reason (other than death, retirement or circumstances equating to retirement, as determined by the Board) is exercisable within 30 days of such termination, (ii) any option held by an Optionee at death is exercisable by his or her executors, administrators, or legal personal representatives within one year after the date of death, and (iii) any option held by an Optionee upon retirement or termination of his or her employment or office with consent of the Board, under circumstances equating to retirement, is exercisable within six months after the date of such retirement.

- Long Term Bonus Plan – Namsys Employees

The Board of Directors of the Corporation feel strongly that the Namsys employees who both create and maintain the Namsys mix of software products, should be properly rewarded in the event of a fundamental disposition transaction. While no such transaction

is presently being considered, the Board passed a resolution establishing long term bonus plans to compensate and reward Namsys Bonus Employees (as defined) in the event of a sale by Namsys to an arm's length purchaser of all or substantially all of its assets, or any other transaction pursuant to which, directly or indirectly, all or substantially all of the assets of Namsys become owned by an arm's length third party.

Under these plans the Directors agree to use their reasonable best commercial efforts, to the maximum extent permitted by law, so as to cause an aggregate of 15% of the net consideration payable in respect of such a transaction to be paid to Namsys Bonus Employees in such individual proportions as the Directors in their sole and absolute discretion shall determine at that time.

- **Group Benefits**

The Corporation's group benefits are intended to provide competitive and adequate protection in case of sickness, disability or death. The Corporation offers medical, dental, life, accidental death and dismemberment and short and long-term disability insurance coverage to Named Executive Officers, on the same basis as all other employees of the Corporation. The level of the benefit provided to Named Executive Officers does not influence any other element of compensation other than the value of such benefit being generally considered within the total compensation of a Named Executive Officer.

- **Executive Perquisites**

Executive perquisites are intended to form part of a competitive compensation package to facilitate the effective performance of the Named Executive Officers functions. The Corporation provides perquisites to certain of its Named Executive Officers, including an automobile allowance, reimbursement for certain automobile expenses, professional association memberships or paid medical evaluations. The level of benefit provided to each Named Executive Officer depends on his or her level of responsibility but does not influence any other element of compensation other than the value of such benefit being generally considered within the total compensation of a Named Executive Officer.

Compensation Policy Risk Assessment

The HR&CG meets periodically to assess the sufficiency of the compensation policies and practices. Additionally, however, senior management of the Corporation participate in each quarterly board meeting, where an "Operations Report" is provided to the Board of Directors and thoroughly discussed with Management. As the majority of the revenue the Corporation generates is either through licensing contracts for the Corporation's software systems or by agreements to access software on a "SaaS", "cloud" basis, the Board, and by implication the Committee, is able to identify any risks that might arise as a result of the Corporation's compensation policies and practices. In addition, the Audit Committee of the Board of Directors, on a quarterly basis, reviews results opposite a forecast prepared by the Corporation and approved by the Board on an annual basis. This quarterly analysis by the Audit Committee would also identify anomalous compensation arrangements.

On balance, to date the Board and its Committees have not identified any risks arising from the issuer's compensation policies and practices taken as a whole.

Financial Instruments

The Corporation does not have a policy permitting or prohibiting a Named Executive Officer or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 – Statement of Executive Compensation (“**Form 51-102F6**”) under the National Instrument 51-102 – Continuous Disclosure Obligations) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation for the financial years ended October 31, 2018, 2017 and 2016 in respect of the Chief Executive (the “**CEO**”), the Chief Financial Officer (the “**CFO**”) and the President and Chief Operating Officer (the “**COO**”) of the Corporation (the “**Named Executive Officers**”).

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
K. B. Sparks, CEO	2018	60,000	Nil	Nil	Nil	Nil	Nil	845	60,845
	2017	45,000	Nil	Nil	\$5,000	Nil	Nil	1,018	51,018
	2016	Nil	Nil	Nil	\$50,000	Nil	Nil	2,376	52,376
Christopher Adams, Chief Financial Officer	2018	39,000	Nil	Nil	Nil	Nil	Nil	Nil	39,000
	2017	38,800	Nil	Nil	Nil	Nil	Nil	Nil	38,800
	2016	39,850	Nil	Nil	Nil	Nil	Nil	Nil	39,150
Jason B. Siemens, President and COO,	2018	189,507	Nil	Nil	62,400	Nil	Nil	958	252,865
	2017	185,156	Nil	Nil	62,880	Nil	Nil	1,147	249,183
	2016	157,093	Nil	Nil	62,880	Nil	Nil	1,147	221,120

Discussion of Summary Compensation Table

Annually, certain Named Executive Officers are provided with executive perquisites. Unless otherwise disclosed under the heading “All Other Compensation”, the aggregate value of these items is less than \$1,000.

Incentive Plan Awards

No option-based or share-based awards were outstanding at the end of the Corporation’s most recently completed financial year. Mr. Jason Siemens, the President of Namsys Inc. would in all likelihood be one of the beneficiaries in the event of a transaction triggering a payment under the Long Term Bonus Plan set out on Page 11 of this Information Circular.

The following table (presented in accordance with Form 51-120F6) sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award.

Name	Option-Based Awards- Value Vested During the Year (\$)	Share-Based Awards-Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
K. Barry Sparks	Nil	Nil	Nil
Christopher Adams	Nil	Nil	Nil
Jason Siemens	Nil	Nil	62,400

Pension Plan Benefits

Defined Benefit/Defined Contribution Plans

The Corporation does not have any pension plans for any of its Named Executive Officers or for other employees.

Deferred Compensation Plans

The Corporation does not have any deferred compensation plans for any of its Named Executive Officers.

Termination and Change of Control Benefits

The Corporation has not entered into any contract, agreement, plan or arrangement to provide for payments to any Named Executive Officer, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in such Named Executive Officer's responsibilities, except as set out under the Long Term Bonus Plan for Namsys employees as described on Page 11 of this Information Circular.

Director Compensation

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the Corporation's non-executive directors for the Corporation's most recently completed financial year.

Name	Fees Earned (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Leslie T. Gord	15,800	Nil	Nil	Nil	Nil	Nil	15,800
G. James Johnson	16,400	Nil	Nil	Nil	Nil	Nil	16,400
H. Joe Prodan	17,457	Nil	Nil	Nil	Nil	Nil	17,457
Nicole A. Sparks	7,400	Nil	Nil	Nil	Nil	Nil	7,400
Christopher Stait-Gardner	17,600	Nil	Nil	Nil	Nil	Nil	17,600

Incentive Plan Awards

No option-based or share-based awards were outstanding at the end of the Corporation's most recently completed financial year for the Corporation's non-executive directors.

No option-based awards or share-based awards vested during the most recently completed financial year for the Corporation's non-executive directors and no non-equity incentive plan compensation was earned by the Corporation's non-executive directors during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No informed person (as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations) of the Corporation or any associate or affiliate of any informed person has or has had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries, except as follows:

1. The Corporation makes payments to Torvan Capital Group, a company partially owned and controlled by K. Barry Sparks, the Chief Executive of the Corporation, on account of rent and all other assets and office expenditures including furnishings, telecommunications and computer equipment, office supplies, heat, electricity, light, WiFi and tenant occupancy insurance provided to the Corporation. These payments were \$45,600 plus HST for the financial year ended October 31, 2018 (2017 - \$45,600 plus HST).
2. Consulting expenses for sales and marketing in the amount of \$45,000 were incurred in the year ended October 31, 2018 (2017 - \$45,000), from a company that is controlled by the Founder of Namsys, in lieu of salary.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in its comparative financial statements and MD&A for its most recently completed financial year, copies of which may be obtained from the Corporation, upon request, at Suite 1400, 141 Adelaide Street West, Toronto, Ontario M5H 3L5; telephone 416-369-6081; email kbsparks@namsys.com.

GENERAL

Management of the Corporation has no knowledge, as at the date hereof, of any business other than that set forth in the Notice of Meeting, to be presented for action by the shareholders at the Meeting. However, the Form of Proxy solicited hereunder confers upon the proxyholder the discretionary right to exercise the powers conferred thereunder in respect of any other matters and proposals that may properly be brought before the Meeting, or any adjournment or adjournments thereof.

The contents and the sending to shareholders of this Information Circular have been approved by the directors of the Corporation.

March 20, 2019

On behalf of the Board

Chief Executive

APPENDIX A TO THE INFORMATION CIRCULAR OF NAMSYS INC.

CHARTER OF THE AUDIT COMMITTEE

The primary responsibility of the Audit Committee (the “Committee”) is to oversee the Corporation’s financial reporting process on behalf of the Board in order to assist the directors of the Corporation in meeting their responsibilities with respect to financial reporting by the Corporation.

Management is responsible for the preparation, presentation and integrity of the Corporation’s financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Corporation. The independent auditors are responsible for auditing the Corporation’s annual financial statements and for reviewing the Corporation’s interim financial statements.

The role, responsibility, authority and power of the Committee shall include, but not be limited to:

- (a) The Committee shall be directly responsible for the appointment and termination (subject to board and shareholder ratification), compensation and oversight of the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting;
- (b) The Committee shall ensure that at all times there are direct communication channels between the Committee and the internal auditors, if applicable, and the external auditors of the Corporation to discuss and review specific issues, as appropriate;
- (c) The Committee shall discuss with the independent auditors (and internal auditors, if applicable) the overall scope and plans for their audits, including the adequacy of staff. The Committee shall discuss with Management and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Corporation’s policies and procedures to assess, monitor, and manage business risk, legal risk and adherence to the Corporation’s ethical compliance programs;
- (d) The Committee shall, at least annually, obtain and review a report by the independent auditors:
 - (i) describing their internal quality control procedures;
 - (ii) reviewing any material issues raised by the most recent internal quality control review, or peer review, or any inquiry or investigation by government or professional institute or society, within the preceding five years, respecting any independent audit carried out by the independent auditors, and any steps taken to deal with any such issues; and
 - (iii) outlining all relationships between the independent auditor and the Corporation in order to assess auditor’s independence;
- (e) The Committee shall meet separately, on a regular basis, with Management and the independent auditors to discuss any issues or concerns warranting Committee attention. As part of this process, the Committee shall provide sufficient opportunity for the independent auditors to meet privately with the Committee;

- (f) The Committee shall receive regular reports from the independent auditors on critical policies and practices of the Corporation, including all alternative treatment of financial information within generally accepted accounting principles which have been discussed with management. Where alternative treatment exists, the independent auditors shall be invited to express their opinion as to whether the Corporation is using Best Practices;
- (g) The Committee shall review Management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on Management's assertion;
- (h) The Committee shall review and discuss earnings press releases, as well as information and earnings guidance provided to analysts and rating agencies;
- (i) The Committee shall review the interim and annual financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with Management and the annual audited statements with the independent auditors, prior to recommending them to the Board of Directors for approval, release or inclusion in any reports to shareholders and/or Security Commissions;
- (j) The Committee shall receive reports, if any, from Corporate Legal Representatives of evidence of material violation of securities laws or breaches of fiduciary duty;
- (k) The Committee shall review and ensure that procedures are in place for the receipt, retention and treatment of complaints received by the Corporation regarding accounting and auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (l) The Committee shall meet as often as it deems appropriate to discharge its responsibilities and in any event at least four times per year. Additional meetings may be held as deemed necessary by the Chairman of the Audit Committee or as requested by any Committee member or the external auditors;
- (m) The Committee shall review all issues related to a change of auditor, including the information to be included in the notice of change of auditor and the planned steps for an orderly transition;
- (n) The Committee shall pre-approve all non-audit services to be provided to the Corporation by the external auditors;
- (o) The Committee shall review and approve the Corporation's policy with regard to the hiring of current and former partners or employees of the present and former external auditors;
- (p) The Committee shall report on all the foregoing matters to the directors of the Corporation at the next Board meeting following;
- (q) At all times, the membership of the Committee shall be such that:
 - (i) it shall be comprised of no fewer than three members;

- (ii) the majority of the members thereof shall be “unrelated directors” or “independent” directors of the Corporation, as may be defined by The Toronto Venture Exchange, the Ontario Securities Commission or any other regulator to which the Corporation reports or may report in the future;
 - (iii) members of the Committee shall be financially literate in terms of the ability to read and understand a set of financial statements;
 - (iv) no independent member of the Committee shall have a material business relationship with the Corporation;.
- (r) No business shall be transacted by the Committee except:
 - (i) at a meeting of the members thereof at which;
 - (ii) a majority of the members thereof are present;
 - (iii) a majority of the members thereof present are “unrelated or independent directors” of the Company; or
 - (iv) by a resolution in writing signed by all of the members of the Committee;
- (s) The minutes of all meetings of the Audit Committee shall be provided to the Board of Directors.