

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Namsys Inc.
Suite 2002, Toronto Hilton
145 Richmond Street West
Toronto, ON
M5H 2L2

Item 2 Date of Material Change

October 30, 2020 (Resolution by Board)
December 21, 2020 (Completion)

Item 3 News Release

Namsys Inc. (the “Company”) issued a press release on January 15, 2021.

Item 4 Summary of Material Change

The Long Term Bonus Plan for Employees (the “Bonus Plan”) established June 29, 2015 and amended July 2, 2019, was put in place to ensure that the key personnel in the development and maintenance of the Company’s “SaaS” offerings were rewarded for their diligence and knowledge. The trigger for payment under the Bonus Plan was a change of control of the Company or December 31, 2021, whichever occurred first.

The Bonus Plan, however, did not anticipate that under IFRS Accounting Rules, the ultimate cost of the Bonus Plan would be amortized as Employment expense over the period July 2019 to December 31, 2021, adjusted quarterly for changes in the value of the Bonus Plan based on the average stock market price of the Company’s shares during that period.

The senior management and the Board of Directors, excluding Mr. Jason Siemens, who is a beneficiary of the Bonus Plan and is therefore conflicted, determined it is in the best interest of the Company to terminate and pay out the Bonus Plan. Therefore, on October 30th, 2020 the Board of Directors, with the concurrence of the Bonus Plan Employees have terminated the Bonus Plan.

Item 5 Full Description of Material Change

Changes made to the Bonus Plan in the past few years resulted in the need for the Company to amortize the take-out amount through the end of fiscal 2021. This amortization has the effect of skewing the quarterly results by increasing

the employment costs, particularly with the price of the Company's shares in the market increasing. Accordingly, Management and the Board of Directors of Namsys took steps to terminate the Bonus Plan on October 30th, 2020.

The Bonus Plan was originally designed to pay out fifteen percent (15%) of the value of the Company if it was sold or amalgamated or if there was a change of control. In 2019 an amendment to the Bonus Plan set a termination date of the Plan at December 31, 2021. If a payout event had not happened before that date, the Bonus Plan was to be paid out at December 31, 2021. To eliminate the need to continually amortize the Bonus Plan payment, the Board of Directors (without the vote of Jason Siemens who is a beneficiary of the Bonus Plan), and with the concurrence of the Bonus Plan participants, formally terminated the Bonus Plan.

The payout agreed to on termination with the written concurrence of the Bonus Plan recipients was three-quarters cash and one quarter shares of Namsys priced at the 20-trade day weighed average of the stock price prior to October 30th (0.85/share). The cash amount has now been paid net of employment tax on the total value of the payout. The Namsys common share part of the payment has not yet been completed and the method of doing so has not been determined. However, if the Company decides to do so by issuing shares from treasury, the matter will be put to shareholders for approval at our Annual Meeting planned for April, 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
416-369-6081

Item 9 **Date of Report**

January 15, 2021