

SYLOGIST LTD.



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 1, 2019

- and -

MANAGEMENT INFORMATION CIRCULAR

March 18, 2019

This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters they refer to, please consult your professional advisors.

SYLOGIST LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) in the capital of Sylogist Ltd. (the “**Corporation**” or “**Sylogist**”) will be held at Sylogist’s offices located at Suite 102, 5 Richard Way S.W. Calgary, Alberta, T3E 7M8, on Wednesday, May 1, 2019, at the hour of 10 a.m. (Mountain Time), for the following purposes:

1. To receive and consider the financial statements of the Corporation as at and for the financial year ended September 30, 2018, together with the report of the auditors thereon;
2. To fix the board of directors of the Corporation at five (5) members;
3. To elect directors of the Corporation for the ensuing year on the terms more particularly described in the Management Information Circular;
4. To appoint Deloitte LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. To approve, with or without modification, the ordinary resolution approving the 10% rolling stock option plan of the Corporation for the ensuing year; and
6. To transact such other business as may properly be brought before the Meeting, or any adjournment or postponement thereof.

Terms not defined herein are defined in the Management Information Circular accompanying this Notice. The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

Only persons registered as Shareholders of the Corporation as of the close of business on **March 12, 2019** (the “**Record Date**”), are entitled to receive notice of the Meeting or any adjournment or adjournments thereof and to vote thereat unless, after the Record Date, a Shareholder transfers his common shares and the transferee, not later than ten (10) days before the Meeting, produces properly endorsed certificates evidencing such common shares or otherwise establishes that he owns such common shares and requests that the transferee’s name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such common shares at the Meeting.

DATED as of the 18th day of March, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “James D. Wilson”
Chairman of the Board of Directors

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person or company (who need not be a Shareholder) as their proxy to attend and vote in their place. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Instrument of Proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed Instrument of Proxy must be received by Computershare Trust Company of Canada: (a) by mail to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
INTRODUCTION.....	1
SOLICITATION OF PROXIES.....	1
FORWARD-LOOKING STATEMENTS.....	1
EXERCISE OF DISCRETION BY PROXY HOLDERS.....	1
APPOINTMENT OF PROXY.....	2
REVOCATION OF PROXIES.....	2
ADVICE TO BENEFICIAL HOLDERS OF SYLOGIST SHARES.....	2
VOTING SECURITIES AND PRINCIPAL HOLDER THEREOF.....	4
QUORUM FOR MEETING.....	4
APPROVAL REQUIREMENTS.....	4
MATTERS TO BE ACTED UPON AT THE MEETING.....	5
<i>FINANCIAL STATEMENTS</i>	5
<i>NUMBER OF DIRECTORS</i>	5
<i>ELECTION OF BOARD OF DIRECTORS</i>	5
<i>APPOINTMENT OF AUDITOR</i>	6
<i>APPROVAL OF STOCK OPTION PLAN</i>	6
<i>OTHER BUSINESS</i>	9
EXECUTIVE COMPENSATION.....	9
<i>COMPENSATION DISCUSSION AND ANALYSIS</i>	9
<i>SUMMARY COMPENSATION TABLE</i>	12
<i>INCENTIVE PLAN AWARDS</i>	13
<i>TERMINATION AND CHANGE OF CONTROL BENEFITS</i>	14
<i>ESTIMATED INCREMENTAL PAYMENTS AND BENEFITS AS OF SEPTEMBER 30, 2018</i>	15
<i>DIRECTOR COMPENSATION</i>	15
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	17
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	17
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	17
MANAGEMENT CONTRACTS.....	18
CORPORATE GOVERNANCE DISCLOSURE.....	18
<i>MANDATE OF THE BOARD OF DIRECTORS</i>	18
<i>BOARD OF DIRECTORS</i>	18
<i>DIRECTORSHIPS</i>	18
<i>ORIENTATION AND CONTINUING EDUCATION</i>	19
<i>ETHICAL BUSINESS CONDUCT</i>	19
<i>NOMINATIONS OF DIRECTORS</i>	19
<i>COMPENSATION</i>	19
<i>OTHER BOARD COMMITTEES</i>	20
<i>ASSESSMENT</i>	20
AUDIT COMMITTEE.....	20
<i>THE AUDIT COMMITTEE'S CHARTER</i>	20
<i>COMPOSITION OF THE AUDIT COMMITTEE</i>	20
<i>RELEVANT EDUCATION AND EXPERIENCE</i>	20
<i>AUDIT COMMITTEE OVERSIGHT</i>	21
<i>PRE-APPROVAL POLICIES AND PROCEDURES</i>	21
<i>EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)</i>	21
<i>EXEMPTION</i>	21
DIRECTORS' APPROVAL.....	21
AUDITORS AND TRANSFER AGENT.....	22
REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES.....	22
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON.....	23
NORMAL COURSE ISSUER BID.....	23
ADDITIONAL INFORMATION.....	23
SCHEDULE A STOCK OPTION PLAN.....	A-1
SCHEDULE B CHARTER OF THE AUDIT COMMITTEE OF SYLOGIST LTD.....	B-1

SYLOGIST LTD.

INFORMATION CIRCULAR

**Annual General and Special Meeting of Shareholders
to be held on Wednesday, May 1, 2019**

INTRODUCTION

THIS MANAGEMENT INFORMATION CIRCULAR (the “**Information Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF SYLOGIST LTD. (the “**Corporation**” or “**Sylogist**”) for use at the annual general and special meeting of the holders (the “**Shareholders**”) of common shares in the capital of Sylogist (the “**Sylogist Shares**”) to be held at Sylogist’s offices located at Suite 102, 5 Richard Way S.W. Calgary, Alberta, T3E 7M8, on Wednesday, May 1, 2019 at the hour of 10 a.m. (Mountain Time), and at any adjournment(s) thereof (the “**Meeting**”) for the purposes set out in the accompanying Notice of Annual General and Special Meeting. Information in this Information Circular is given as at March 18, 2019 unless otherwise stated.

SOLICITATION OF PROXIES

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, by telephone or through electronic means by directors or officers of the Corporation. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Sylogist Shares pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). This Information Circular and other proxy-related materials are not being sent to registered or beneficial owners of the Sylogist Shares using the Notice-and-Access procedures contained in NI 54-101. The cost of any such solicitation will be borne by the Corporation.

FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements that reflect the current expectations of Sylogist about Sylogist’s future results, performance, prospects and opportunities. Sylogist has tried to identify these forward-looking statements by using words such as “may,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate,” “potentially” and similar expressions. Such forward-looking statements necessarily involve known and unknown risks and uncertainties that may cause Sylogist’s actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that the expectations of Sylogist will prove to be correct. Except as may be required by law, Sylogist assumes no obligation to update these forward-looking statements.

EXERCISE OF DISCRETION BY PROXY HOLDERS

All Sylogist Shares represented at the Meeting by properly executed proxies will be voted, or withheld from voting as applicable, in accordance with the indicated specifications included therein. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.** The enclosed Instrument of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management designees.

APPOINTMENT OF PROXY

Registered Shareholders may vote in person at the Meeting or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT HIM OR HER AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.** In order to be effective, the enclosed Instrument of Proxy must be received by Computershare Trust Company of Canada (the “**Transfer Agent**”): (a) by mail to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. The instrument of proxy shall be in writing under the hand of the Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

REVOCATION OF PROXIES

A Shareholder who has submitted a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by his or her authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing the proxy bearing a later date with the Transfer Agent, at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof at which the proxy is to be used or by depositing the revocation of proxy with the chairman of such Meeting on the day of the Meeting, or any adjournment thereof, or in any other matter permitted by law. In addition, a proxy may be revoked by the Shareholder personally attending at the Meeting and voting his or her Sylogist Shares.

ADVICE TO BENEFICIAL HOLDERS OF SYLOGIST SHARES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular 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 Sylogist Shares can be recognized and acted upon at the Meeting. If Sylogist Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Sylogist Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Sylogist Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). In the United States, the majority of such shares are registered in the name of CEDE & Co., which company acts as a nominee for many U.S. brokerage firms.

There are two kinds of Beneficial Shareholders - those who do not object to the issuer of the securities they own knowing who they are and how many securities they hold (“**NOBOs**” for Non-Objecting Beneficial Owners), and those who object to their name and holdings being made known to the issuer of the securities (“**OBOs**” for Objecting Beneficial Owners). Issuers can now request and obtain a list of their NOBOs from intermediaries via their transfer agent, use this list for specific purposes connected with the affairs of the Corporation (including the ability to formally recognize NOBOs at the Meeting for the purposes of voting their shares in person or by proxy), and obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge Financial Solutions, Inc. (“**Broadridge**”)).

The Corporation has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“VIF”) from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by facsimile. In addition, the Transfer Agent provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. The Transfer Agent will tabulate the results of the VIFs received from the NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These proxy-related materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Sylogist Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Sylogist Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. **Please return your voting instructions as specified in the request for voting instructions.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from OBOs in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by OBOs in order to ensure that their Sylogist Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. **The Corporation does not know the names of the OBOs. As a result, OBOs will not be recognized at the Meeting for the purposes of voting their Sylogist Shares in person or by proxy, without following the procedures set out by their broker or its agent.** Broadridge typically mails the proxy-related materials to the OBOs along with scannable VIF. The OBO is requested to complete and return their voting instructions to them as directed. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting of the Sylogist Shares to be represented at the Meeting. Management of Sylogist does not intend to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Sylogist Shares directly at the Meeting as the Beneficial Shareholder’s voting instructions must be returned as directed well in advance of the Meeting in order to have the Sylogist Shares voted. Beneficial Shareholders may revoke their VIFs in accordance with the procedure established by their broker or its agent.

Voting by Internet

Registered Shareholders may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please vote, sign, date and return the Proxy in the envelope provided to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, so that it arrives no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting.

You 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) 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.

All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice are to Shareholders of record, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDER THEREOF

The Corporation is authorized to issue an unlimited number of Sylogist Shares. As at March 18, 2019, there were 22,023,394 Sylogist Shares issued and outstanding. Each Sylogist Share carries the right to one vote at meetings of Shareholders.

March 12, 2019 is the record date for the Meeting (the “**Record Date**”). Only registered holders of Sylogist Shares at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat unless, after the record date, a registered holder transferred his Sylogist Shares and that transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, requests, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

No person, to the knowledge of the Corporation’s directors and senior officers, beneficially owns, directly or indirectly or exercises control or direction over, Sylogist Shares carrying 10% or more of the voting rights attaching to the outstanding Sylogist Shares except as set forth in the following table:

Name of Shareholder and Municipality of Residence				Securities Owned, Controlled or Directed ⁽¹⁾	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽²⁾
Cambridge	Global	Asset	Management	2,204,730	10.01%
(“Cambridge”)					
A business unit of CI Investments Inc.					
Toronto, Ontario, Canada ⁽¹⁾⁽²⁾					

Notes:

(1) Based on 22,023,394 issued and outstanding Sylogist Shares as at March 18, 2019.

(2) Based on publicly available information whereby as at December 24, 2018, Cambridge reported (pursuant to the Early Warning System – Alternative Monthly Report filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) that it held 2,204,730 Sylogist Shares.

The information as to Sylogist Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, is based on publicly available information.

As at the date hereof, the current directors and officers of the Corporation as a group owned, beneficially, directly and indirectly, or exercise control and direction over, 1,944,261 Sylogist Shares representing approximately 8.8% of the issued and outstanding Sylogist Shares.

QUORUM FOR MEETING

The By-Laws provide that holders present, not being less than two (2) in number and holding or representing not less than five (5%) percent of the issued and outstanding Sylogist Shares entitled to vote at the Meeting, shall constitute a quorum for the transaction of business at the Meeting in respect of Shareholders.

APPROVAL REQUIREMENTS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by a majority of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

At the meeting, Shareholders will consider the following items of regular business:

Financial Statements

The board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) has approved the audited consolidated financial statements of the Corporation for the year ended September 30, 2018. At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended September 30, 2018 and the auditors’ report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Number of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, Shareholders will be asked to consider passing an ordinary resolution fixing the number of directors of the Corporation to be elected at the Meeting at five (5) members.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of setting the number of directors to be elected at the Meeting at five (5). In order to be effective, the resolution fixing the number of directors to be elected at the Meeting at five (5) must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Election of Board of Directors

The Shareholders will be asked to consider an ordinary resolution electing directors of the Corporation to hold office until the next annual meeting of the Shareholders or until their successors are duly elected or appointed. It is proposed that the persons named below will be nominated at the Meeting. **It is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board of Directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if, for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Sylogist Shares are to be withheld from voting in the election of directors.

The following table states the names of all persons proposed to be nominated for election as directors, position or office within the Corporation now held by them, their principal occupations within the five (5) preceding years, the day on which they became directors of the Corporation and the number of Sylogist Shares owned by them or over which they exercise control or direction as of the date hereof.

Name, Province and Country of Residence	Principal Occupation	Office Held and Date became a Director	Sylogist Shares beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
James D. Wilson Alberta, Canada	President and CEO of the Corporation since May 8, 2008.	Director since October 2001	400,000
<i>Chairman</i>			
<i>CEO</i>			
<i>President</i>			
Ronald P. Cherkas ⁽²⁾⁽³⁾ Alberta, Canada	President, RMCJ Consulting Inc. since 2010.	Director since February 7, 2005	374,997
<i>Director</i>			

Name, Province and Country of Residence	Principal Occupation	Office Held and Date became a Director	Sylogist Shares beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
C. Fraser Elliott ⁽²⁾⁽³⁾ Ontario, Canada	President, CFE Financial Inc. since 1987.	Director since February 27, 2008	444,733
<i>Director</i>			
David O.C. Elder Alberta, Canada	Executive Vice-President, and Corporate Secretary of the Corporation since February 2006.	Director since June 12, 2008	695,331
<i>Executive Vice-President, & Corporate Secretary</i>			
Taylor Gray ⁽²⁾⁽³⁾ Alberta, Canada	Effective January 1, 2018, a retired Partner of BDO Canada LLP. Prior thereto, a Partner at BDO Canada LLP since January 1, 1998, in Calgary, Alberta	Director since January 1, 2018	10,200
<i>Director</i>			

Notes:

- (1) Information as to the number of Sylogist Shares beneficially owned or over which they exercise control or direction, not being in the knowledge of the Corporation, has been furnished by the respective directors or nominees of Sylogist.
- (2) Current member of the Audit Committee.
- (3) Current member of the Compensation Committee.

Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the By-laws unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) or the By-Laws.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of the election of each of the nominees set forth in the table above as directors of the Corporation. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by not less than a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

Appointment of Auditor

Shareholders will be asked to consider a resolution appointing auditors of the Corporation to act until the next annual meeting of the Shareholders and to authorize the directors to fix the remuneration of the auditors. Management proposes that the firm of Deloitte LLP, Chartered Professional Accountants, be appointed as auditors of the Corporation. Deloitte LLP, Chartered Professional Accountants, have acted as the Corporation's auditors since January 17, 2012.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies FOR the appointment of Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation at remuneration to be fixed by the Board of Directors. In order to be effective the ordinary resolution appointing Deloitte LLP, Chartered Professional Accountants, as the auditors of the Corporation must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Approval of Stock Option Plan

The Policies of the TSX Venture Exchange Inc. (the “**Exchange**”) require all incentive stock option grants to be made pursuant to a stock option plan approved by the Corporation’s Shareholders. At the present time the Corporation has a “rolling” stock option plan, pursuant to which directors, officers, employees and consultants of the

Corporation are awarded non-assignable and non-transferable options to purchase Sylogist Shares (the “**Options**”), which was approved by the Shareholders at the Corporation’s previous annual and special meeting of the Shareholders held on May 1, 2018. Pursuant to the policies of the Exchange, such “rolling” plans must receive yearly Shareholder approval.

The stock option plan (the “**Option Plan**”) was approved on May 1, 2018, and remains unchanged. A copy of the Option Plan is attached hereto at Schedule A.

Accordingly, Shareholders are being asked to approve the Option Plan in accordance with Policy 4.4 of the Exchange.

The Option Plan has been established to advance the interests of the Corporation or any of its subsidiaries and affiliates by encouraging the directors, officers, employees and consultants of the Corporation, or any of its subsidiaries or affiliates, to acquire Sylogist Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain with the Corporation, or its subsidiaries or affiliates, and providing them with additional incentive in the conduct of their affairs for and on behalf of the Corporation, its subsidiaries and affiliates.

Details of the Option Plan

Some key provisions of the Option Plan are as follows:

- (a) The aggregate number of Sylogist Shares reserved for issuance under the Option Plan must not exceed 10% of outstanding Sylogist Shares (on a non-diluted basis). The Sylogist Shares in respect of which Options are not exercised shall be available for subsequent Option grants. No fractional shares may be purchased or issued thereunder;
- (b) the aggregate number of Sylogist Shares reserved for issuance under the Option Plan and granted to any one person within a 12-month period may not exceed 5% of the outstanding Sylogist Shares;
- (c) the issuance of Sylogist Shares to insiders (as a group) pursuant to the Option Plan may not at any time exceed 10% of the outstanding Sylogist Shares;
- (d) the issuance of Sylogist Shares to insiders (as a group) and such insider's associates pursuant to the Option Plan within a 12-month period may not exceed 10% of the outstanding Sylogist Shares;
- (e) the issuance of Sylogist Shares to any one Consultant (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) pursuant to the Option Plan within a one-year period may not exceed 2% of the outstanding Sylogist Shares;
- (f) the issuance of Sylogist Shares to persons retained to provide Investor Relations Activities (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) for the Corporation within a one-year period may not exceed an aggregate of 2% of the outstanding Sylogist Shares; and
- (g) Options granted to persons retained to provide Investor Relations Activities (as such term is defined in the Exchange Policy 4.4) shall vest over a period of not less than 12 months with no more than ¼ of such Options vesting in any three-month period.

In the event of a participant ceasing to be a director, officer or employee of the Corporation or a subsidiary of the Corporation for any reason other than death, including the resignation or retirement of the participant as a director, officer or employee of the Corporation or the termination by the Corporation of the employment of the participant, prior to the expiry time of an Option, such Option, if vested, shall cease and terminate on the ninetieth (90th) day following the effective date of such resignation or termination, unless such participant was engaged in Investor Relations Activities (as such term is defined in the Exchange Policy 4.4), in which case any Option shall expire on the thirtieth (30th) day after notice of such termination is given.

In the event of the death of a participant on or prior to the expiry time of an Option, such Option, if vested, may be exercised as to such of the Shares in respect of which such Option has not previously been exercised (including in respect of the right to purchase Shares not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date one (1) year following the date of death of the participant or the expiry time of such Option, whichever occurs first.

Pursuant to the Option Plan, the Corporation can, at any time, have a number of Options outstanding equal to up to 10% of the then outstanding number of Shares. In the event of the exercise or cancellation of any Options, the Corporation could make a further grant of Options, provided that the 10% maximum is not exceeded.

Outstanding Options and Shares Available for Issuance

The following table summarizes, as of March 18, 2019, the number of Options that have been exercised under the Option Plan since its inception, the number of Options outstanding as of March 18, 2019, and the number of Options remaining available for grant as of March 18, 2019.

	Number	Percentage of Currently Outstanding Shares
Total Available under Option Plan	2,202,339	10.00%
Options Outstanding	2,058,650	9.35%
Options Available for Grant	143,689	0.65%

Resolution for Approval of the Option Plan

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve and to pass the following ordinary resolution approving the Option Plan:

“BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation as follows:

1. the Corporation’s Stock Option Plan, substantially in the form attached as Schedule “A” to the Corporation’s management information circular dated March 18, 2019 (the **“Option Plan”**) is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. any one (1) officer or director of the Corporation be and is hereby authorized to execute all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the amendment of the Option Plan as herein contemplated and the Board of Directors from time to time is authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the Option Plan;
4. the Corporation is authorized to reserve and issue common shares in the capital of the Corporation for issuance upon exercise of stock options granted pursuant to the Option Plan.”

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of the approval of the Option Plan. In order to be effective, the ordinary resolution approving the Option Plan must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Other Business

While management is not aware of any other business other than that mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment(s) thereof, in accordance with the discretion of the persons authorized to act thereunder.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This discussion describes and explains all significant elements of compensation awarded to, earned by, paid to or payable to the Corporation's executive officers for the fiscal year ended September 30, 2018. Such persons include those who acted as Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") for the Corporation and: (i) the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (ii) each individual who would be a "**Named Executive Officer**" under (i) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end (each a "**Named Executive Officer**" or "**NEO**" and collectively the "**Named Executive Officers**" or "**NEOs**").

During the financial year ended September 30, 2018, the Corporation had five (5) Named Executive Officers, namely; James D. Wilson, President and Chief Executive Officer; David O.C. Elder, Executive Vice President and Corporate Secretary; Xavier Shorter, Vice President Finance and Chief Financial Officer; Andre Drouillard, Vice President Business Development and Investor Relations; and Donna Smiley, Vice President, Operations (since January 16, 2019 and Managing Director prior thereto). There were no other executive officers of the Corporation during the year.

Compensation Governance

The Board of Directors has a Compensation Committee, comprised of Mr. Cherkas, Mr. Elliott and Mr. Gray, who are independent and have direct experience with matters of executive compensation from past and present occupations. In executive capacities, Mr. Cherkas, Mr. Elliott and Mr. Gray have participated in the setting of policy for executive compensation, as well as having other company's executive compensation policies applied directly to them in their various executive roles. As considered necessary, the Compensation Committee has sought the advice of the Corporation's external auditors and legal counsel, as well as the informal advice of an experienced, external compensation professional, in considering and recommending to the Board of Directors policies for executive and director level compensation for the Corporation. The Compensation Committee has and continues to review the cash compensation, performance and overall compensation package of each executive officer, including the Named Executive Officers, as well as directors, principally themselves, on an annual basis and makes recommendations to the Board as a whole.

Compensation Program

The objective of the Corporation's executive compensation program is to motivate, reward and retain management talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and performance, and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Compensation Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements.

The Corporation has not had a formal compensation program with set benchmarks, other than monitoring and evaluating performance based on the Corporation's Adjusted EBITDA, which is reviewed quarterly and annually in conjunction with the Corporation's budgeting process. The Corporation has historically relied on informal

discussions, among management, the Board, outside investors and professionals, as to what are reasonable and rewarding objectives for executive officers, always remaining mindful of and seeking to align those objectives with the interests of the Corporation's stakeholders. Adjusted EBITDA is not recognized measure under International Financial Reporting Standards ("IFRS"). The reader is referred to the Corporation's annual audited and quarterly financial statements, along with the related management's discussion and analysis of financial condition, for the definition of Adjusted EBITDA it employs and is reconciled to its most direct comparable measure under IFRS in such documents, which documents can be found on the Corporation's profile at www.sedar.com.

Fundamentally, the Corporation is growth oriented, focused on cash flow and total economic return for its Shareholders, and has strived to design and implement a compensation program that is aligned with those objectives. Meaningful growth can be achieved through organic initiatives or through strategic acquisitions, in either case focusing on the cash flow and economic returns to the Corporation, which requires executive management experience, insight and discipline. Cash flow is the lifeblood of any organization. The Corporation considers it paramount to ensure sustainability, reinvestment, growth and competitiveness. Total economic return is the Shareholder's return on his investment, in terms of dividend distributions, reinvestment in growth and capital appreciation. The Corporation strongly believes that cash flow growth results in growing returns to the Shareholder.

While seeking to ensure that its executive compensation program is fair, motivational and competitive, the Compensation Committee and the Board of Directors are guided by the overarching principle that a high level of total compensation should be variable and aligned to performance, specifically the delivery of strong, recurring and growing cash flow. As such, the compensation program for executives, while respective of their achievements, levels of expertise, responsibilities and length of service, is designed to reward them, together with Shareholders, for delivering superior financial performance.

Since the beginning of fiscal 2014, the Corporation has grown dramatically in terms of Revenue and Cash Flow. Consistent with its guiding principles, the Compensation Committee has continued to recommend retaining a compensation structure for executives that rewards them based on their strategic leadership and performance, with annual cash bonuses based on the free cash flow of the Corporation. "Free cash flow" of the Corporation was defined as cash from operating activities, before non-cash changes in working capital, management bonuses and acquisition and integration costs.

Risks of Compensation Policies and Practices

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Compensation Committee noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's operating strategy and related compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and
- the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives.

Based on this review, the Compensation Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including 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 executive officer or director.

Elements of Compensation

Salary

In determining the base salary of an executive officer, including a Named Executive Officer, the Compensation Committee and the Board of Directors places equal weight on the following factors: (i) the particular responsibilities related to the position; (ii) salaries paid by comparable businesses; (iii) the experience level of the executive officer; and (iv) his or her overall performance. Salaries of the executive officers are not determined based on benchmarks or a specific formula.

Bonus

Consistent with prior years, in fiscal 2018, Mr. Wilson and Mr. Elder were eligible for annual bonuses, payable in cash, of 8% and 4% respectively, of the free cash flow of the Corporation for the period. In fiscal 2018, Mr. Shorter and Mr. Drouillard were eligible for annual bonuses, payable in cash, of 2.25%, of the free cash flow of the Corporation exceeding the cash flow from the previous fiscal year and 2.25%, of the incremental revenue increase over the previous year. Ms. Smiley was eligible for a discretionary annual bonus, payable in cash. The payment of bonuses is consistent with the overall objective of the Corporation to reward performance.

Option-Based Compensation

The Corporation's Option Plan is a rolling option plan that was established in 2003 to advance the interests of the Corporation, or any of its subsidiaries and affiliates, by encouraging the directors, officers, employees and consultants of the Corporation, or any of its subsidiaries or affiliates, to acquire Sylogist Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain with the Corporation, or its subsidiaries or affiliates, and providing them with additional incentives in the conduct of their affairs for and on behalf of the Corporation, its subsidiaries and affiliates. The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, is for the Board to approve option grants based on recommendations made by the Compensation Committee from time to time. The factors that are taken into account when considering new grants under the Option Plan are based upon a number of criteria, including the performance of the executive officers, the number of stock options available for grant under the Option Plan, the number of stock options anticipated to be required to meet the future needs of the Corporation, as well as the number of stock options previously granted to each of the executive officers.

Under the Option Plan, the maximum number of Sylogist Shares which may be made subject to Options at any time and from time to time shall not exceed 10% of the total number of Sylogist Shares then outstanding on a non-diluted basis. Furthermore, the maximum number of Sylogist Shares which may be granted to a participant under the Option Plan shall not exceed 5% of the total number of Sylogist Shares then outstanding on a non-diluted basis.

110,000 options were issued to officers or directors of the Corporation in fiscal 2018.

Summary Compensation Table

The following table sets forth for the financial years ended September 30, 2016, September 30, 2017 and September 30, 2018, information concerning the total compensation paid to the Corporation's Named Executive Officers.

Name and Principal Position	Year	Salary	Share-Based Awards	Option-Based Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾		Pension Value ⁽⁵⁾	All Other Compensation ⁽⁴⁾	Total Compensation
		(\$)	(\$)	(\$)	(\$)		(\$)	(\$)	(\$)
					Annual Incentive Plan (Bonus)	Long-term Incentive Plans			
James D. Wilson ⁽⁵⁾ President and CEO	2018	550,000	Nil	Nil	1,729,403	N/A	N/A	N/A	2,279,403
	2017	550,000	Nil	Nil	1,391,525	N/A	N/A	N/A	1,941,525
	2016	687,522	Nil	Nil	1,250,251	N/A	N/A	N/A	1,937,773
David O.C. Elder ⁽⁵⁾ Executive Vice President and Corporate Secretary	2018	300,000	Nil	Nil	864,700	N/A	N/A	N/A	1,164,700
	2017	300,000	Nil	Nil	695,763	N/A	N/A	N/A	995,763
	2016	389,238	Nil	Nil	549,967	N/A	N/A	N/A	939,205
Xavier Shorter ⁽⁶⁾ Vice President, Finance & CFO	2018	200,000	Nil	Nil	211,937	N/A	N/A	N/A	411,937
	2017	183,333	Nil	210,482 ⁽⁷⁾	35,319	N/A	N/A	N/A	429,134
	2016	130,000	Nil	Nil	15,000	N/A	N/A	N/A	145,000
Andre Drouillard ⁽⁸⁾ Vice President, Business Development & Investor Relations	2018	200,000	Nil	Nil	213,487	N/A	N/A	N/A	413,487
	2017	66,667	Nil	146,102 ⁽⁹⁾	Nil	N/A	N/A	N/A	212,769
Donna Smiley ⁽¹⁰⁾ Managing Director	2018	224,560	Nil	Nil	65,195	N/A	N/A	N/A	289,755
	2017	230,055	Nil	32,356 ⁽¹¹⁾	105,956	N/A	N/A	N/A	368,367
	2016	198,855	Nil	129,181 ⁽¹²⁾	132,570	N/A	N/A	N/A	460,606

Notes:

- (1) Non cash dollar value of option based compensation calculated is in accordance with the Black-Scholes Model and based on the grant date fair market value for the financial year ended September 30, 2018. The Corporation used assumptions and estimates in determining the inputs used in the Black-Scholes Model, including assumptions regarding volatility, dividend yield, risk-free interest rates, forfeiture estimates and expected option lives.
- (2) Dollar value of all amounts earned for services performed during financial year ended September 30, 2018 that are related to awards under non-equity incentive plans.
- (3) The Corporation does not have any plans in place that provide for the payment of pension plan benefits.
- (4) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the year.
- (5) Each of Messrs. Wilson and Elder are eligible to receive Options pursuant to the Option Plan in respect of their duties as directors of the Corporation. The compensation disclosed in the above table represents all compensation paid to each of Messrs. Wilson and Elder in respect of their duties as directors and as Named Executive Officers of the Corporation.
- (6) Mr. Shorter was appointed as Vice President, Finance and Chief Financial Officer of the Corporation on October 1, 2016.
- (7) Mr. Shorter was granted 50,000 options on October 1, 2016 at an exercise price of \$10.10, and 25,000 options on May 11, 2017 at an exercise price of \$8.25.
- (8) Mr. Drouillard was appointed as Vice President Business Development and Investor Relations on June 1, 2017.
- (9) Mr. Drouillard was granted 75,000 options on May 11, 2017 at an exercise price of \$8.25.
- (10) Ms. Smiley became an Executive Officer of the Corporation on October 1, 2016. Ms. Smiley was appointed Vice President, Operations on January 16, 2019.
- (11) Ms. Smiley was granted 10,000 options on October 1, 2016 at an exercise price of \$10.10.
- (12) Ms. Smiley was granted 50,000 options on May 27, 2015 at an exercise price of \$9.19.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth for each of the Named Executive Officers all Option-based awards outstanding at the end of the financial year ended September 30, 2018, during which period no further options were granted to Named Executive Officers. The Named Executive Officers did not receive any share-based awards.

Option-Based Awards					
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options⁽¹⁾ (\$)
James D. Wilson	July 1, 2014	1,008,900	9.19	June 30, 2019	4,338,270
David O.C. Elder	July 1, 2014	504,450	9.19	June 30, 2019	2,169,135
Xavier Shorter	October 1, 2016	50,000	10.10	September 30, 2021	169,500
	May 11, 2017	25,000	8.25	May 10, 2022	131,000
Andre Drouillard	May 11, 2017	75,000	8.25	May 10, 2022	393,000
Donna Smiley	May 27, 2015	50,000	9.19	May 26, 2020	215,000
	October 1, 2016	10,000	10.10	September 30, 2021	33,900

Note:

- (1) Calculated based on the differences between the closing price of \$13.49 per Sylogist Share on the Exchange on September 30, 2018 and the exercise price of the Options, multiplied by the number of Sylogist Shares under the Option.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value of incentive plan awards which vested during the financial year ended September 30, 2018.

Name	Option-Based Awards – Value Vested During the Year⁽¹⁾ (\$)
Xavier Shorter ⁽²⁾	26,666
Andre Drouillard ⁽³⁾	80,000
Donna Smiley ⁽⁴⁾	37,834

Notes:

- (1) Calculated based on the difference between the market price of the Sylogist Shares on the Exchange underlying the Options at the vesting date and the exercise price of the Option on the vesting date.
- (2) 16,666 Options granted on October 1, 2016 vested on October 1, 2017 and 8,333 Options granted on May 11, 2017 vested on May 11, 2018.
- (3) 25,000 Options granted on May 11, 2017 vested on May 11, 2018.
- (4) 3,333 Options granted on October 1, 2016 vested on October 1, 2017 and 16,667 Options granted on May 27, 2015 vested on May 26, 2018.

Aggregated Stock Option Exercises

The Named Executive Officers did not exercise any Options during the financial year ended September 30, 2018.

Pension Plan Benefits

The Corporation currently does not have any pension plan benefits in place for its Named Executive Officers.

Defined Contribution Plans

The Corporation does not have any defined contributions plans in place for its Named Executive Officers.

Deferred Compensation Plans

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

Termination and Change of Control Benefits

Mr. Wilson and Mr. Elder have employment agreements which provide for, in addition to standard terms relating to base salary, bonus, benefits and vacation, payment of amounts equal to the greater of (i) in the case of Mr. Wilson, three year's salary, and Mr. Elder, one year's salary, plus 25% of such amounts in lieu of benefits or (ii) in the case of Mr. Wilson, 4.0%, and in the case of Mr. Elder, 2.0%, of the fully diluted market capitalization of the Corporation, in the event of termination without cause or a change of control. Mr. Shorter's employment agreement provides for, in addition to standard terms relating to base salary, bonus, benefits and vacation, payment of amounts equal to one year's salary, plus 25% of such amount in lieu of benefits, in the event of termination without cause or a change of control. Mr. Drouillard's employment agreement provides for, in addition to standard terms relating to base salary, bonus, benefits and vacation, payment of amounts equal to (A) from June 1, 2017 to September 30, 2019 one-half (1/2) times salary; or (B) after September 30, 2019, one year's salary, plus 25% of such amount in lieu of benefits, in the event of termination without cause or a change of control. Effective January 16, 2019, Ms. Smiley was appointed Vice President, Operations. The employment agreement entered into as of that date provides for, in addition to standard terms related to base salary, bonus, benefits and vacation, payment of amounts equal to her base salary in the event of termination without cause. See "Summary Compensation Table".

"change of control" means:

- (i) any change in the registered holdings and/or beneficial ownership of the outstanding Sylogist Shares of the Corporation which results in:
 - (a) a person (other than the executive) or group of persons (not including the executive) "acting jointly or in concert" (as defined in the *Securities Act*, RSA., 2000, c. S-4, as amended from time to time); or
 - (b) an "affiliate" or "associate" (as defined in the *Business Corporations Act*, RSA 2000, c. B-9, as amended from time to time) of such person or group of persons, being in a position to exercise effective control of the Corporation, provided that any person or group of persons holding, owning or controlling, directly or indirectly, more than 50% of the outstanding Sylogist Shares of the Corporation shall be deemed to be in a position to exercise effective control of the Corporation; or
- (ii) where less than a majority of the nominees of the Corporation are elected to the Corporation's Board at any shareholders' meeting at which an election of directors takes place; or
- (iii) the sale, lease or transfer of all or substantially all of the Corporation's assets to any other person or persons; or
- (iv) the entering into of any written agreement which contemplates a merger, amalgamation, arrangement, creation of a royalty trust, business combination or similar transaction with a person or group of persons that is not an "affiliate" or "associate" (as defined in the *Business Corporations Act*, S A. 1981, c. B-15 as amended from time to time) of the Corporation.

Estimated Incremental Payments and Benefits as of September 30, 2018

The following table sets forth the estimated incremental payments and benefits that would be received by Named Executive Officers following a “change of control” of the Corporation, had such event occurred on September 30, 2018.

Name	Employment Agreements⁽¹⁾ (\$)	Stock Option Plan⁽²⁾ (\$)	Total (\$)
James D. Wilson, President & CEO	11,982,139	4,338,270	16,320,409
David O.C. Elder Executive Vice President & Corporate Secretary	5,991,069	2,169,135	8,160,204
Xavier Shorter Vice President, Finance & CFO	514,921	300,500	815,421
Andre Drouillard Vice President, Business Development & Investor Relations	258,429	393,000	651,429
Donna Smiley Managing Director	Nil	Nil	Nil

Notes:

- (1) As provided in the employment agreement with each of the relevant Named Executive Officers upon a change of control, change of responsibilities, termination without just cause or such other events as further described above, on September 30, 2018.
- (2) As provided for in the Option Plan, assuming a change of control on September 30, 2018 with all unvested stock options held by Named Executive Officers vesting and becoming immediately exercisable. Value is calculated based on the difference between the exercise price of the options and the closing price of the Sylogist Shares on the Exchange on September 30, 2018, being the last trading day in the Corporation’s fiscal year ended September 30, 2018, of \$13.49.

Director Compensation

Director Compensation Policy

Non-executive directors are paid an annual fee set at \$40,000. Chairs of committees are not entitled to any incremental fee above the annual fee paid to directors. In addition, directors are reimbursed by the Corporation for their expenses in attending Board and committee meetings. Directors of the Corporation are entitled to participate in the Option Plan. The purpose of granting Options to directors is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align their personal interests to that of the Shareholders.

Summary of Director Compensation

The following table outlines for the financial year ended September 30, 2018, information concerning the compensation paid to the Corporation's directors other than directors who are also Named Executive Officers.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Ronald P. Cherkas	40,000	Nil	Nil ⁽²⁾	N/A	N/A	N/A	40,000
C. Fraser Elliott	40,000	Nil	Nil ⁽³⁾	N/A	N/A	N/A	40,000
Taylor Gray	30,000	Nil	128,895 ⁽⁴⁾	N/A	N/A	N/A	158,895

Notes:

- (1) Non-cash dollar value of Option-based compensation calculated in accordance with the Black-Scholes Model and based on the grant date fair market value for the financial year ended September 30, 2018.
- (2) No Options were granted to Mr. Cherkas in fiscal 2018
- (3) No Options were granted to Mr. Elliott in fiscal 2018.
- (4) 60,000 Options were granted to Mr. Taylor in fiscal 2018.

Directors' Outstanding Option-Based Awards

The following table sets forth for each of the directors of the Corporation, other than directors who are also Named Executive Officers, all Option-based awards outstanding at the end of the financial year ended September 30, 2018. The directors did not receive any share-based awards.

Name	Option-Based Awards				
	Date of Grant	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)
Ronald P. Cherkas	July 1, 2014	20,000	9.19	June 30, 2019	86,000
	October 1, 2016	30,000	10.10	September 30, 2021	101,700
	October 1, 2016	10,000	10.10	September 30, 2021	Nil
C. Fraser Elliott	July 1, 2014	60,000	9.19	June 30, 2019	258,000
Taylor Gray	January 1, 2018	60,000	10.08	December 31, 2022	Nil

Note:

- (1) Calculated based on the differences between the closing price of \$13.49 per Sylogist Share on the Exchange on September 30, 2018 and the exercise price of the Options, multiplied by the number of Sylogist Shares under the Option.

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

The following table sets forth for each director of the Corporation, other than directors who are also Named Executive Officers, the value of incentive plan awards which vested during the financial year ended September 30, 2018.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾
	(\$)
Ronald P. Cherkas ⁽²⁾	6,000

Notes:

- (1) Calculated based on the difference between the market price of the Sylogist Shares on the Exchange underlying the Options at the vesting date and the exercise price of the Option on the vesting date.
- (2) 10,000 Options granted on October 1, 2016 vested on October 1, 2017, 10,000 Options granted on October 1, 2016 vested on October 1, 2017.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

A total of ten percent (10%) of the Sylogist Shares outstanding from time to time are reserved for the issuance of Options to purchase Sylogist Shares pursuant to the Option Plan. The Option Plan provides that the terms of the Options and the Option price shall be fixed by the directors subject to the price restrictions imposed by the Exchange. The Option Plan also provides that no Option shall be granted to any person except upon recommendation of the directors of the Corporation and only directors, officers, employees and other key personnel of the Corporation or its subsidiaries may receive Options. Options granted under the Option Plan may not be for a period longer than ten years and the exercise price must be paid in full upon exercise of the Option. The Corporation may, subject to Exchange policies, impose vesting requirements at the time of grant. The Corporation has no other equity compensation plans other than the Option Plan, which was most recently authorized by the shareholders of the Corporation on May 1, 2018. The following table provides certain information regarding Options under the Option Plan as at September 30, 2018.

Option Plan Category	Number of Sylogist Shares Issuable Upon Exercise of Options Issued and Outstanding as at September 30, 2018	Weighted-Average Exercise Price of Outstanding Options as at September 30, 2018	Number of Sylogist Shares Remaining Available for Future Issuance under the Plan as at September 30, 2018
Equity Compensation Plans Approved by Shareholders	2,053,350	\$9.24	167,209
Equity Compensation Plans not Approved by Shareholders	Nil	Nil	Nil
Total	2,053,350	\$9.24	167,209

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation was indebted to the Corporation as at the date of this Information Circular. At no time since the beginning of the financial year ended September 30, 2018 did any director or executive officer or proposed director, or associate of any such director or executive officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, any proposed director of the Corporation, nor any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the beginning of the financial year ended September 30, 2018 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Information Circular, an “informed person” means: (i) a director or executive officer of the Corporation, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, and (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and senior officers of the Corporation and are not to any substantial degree performed by any other person or corporation.

CORPORATE GOVERNANCE DISCLOSURE

Every issuer that is listed on the Exchange is required under National Instrument 58-101 – *Corporate Governance Disclosure* (“**NI 58-101**”) and the TSX Venture Exchange Policy 3.1 to disclose annually in its information circular certain information concerning its corporate governance practices. The Board of Directors is responsible for the governance of the Corporation. The Corporation’s Board and senior management consider good governance to be central to the effective and efficient operation of the Corporation. Listed below is a brief discussion of the Board’s approach to governance of the Corporation. The Corporation is a “venture issuer” (as defined in NI 58-101) and is required to provide the following information in its Information Circular if the Corporation is soliciting a proxy for the election of directors.

Mandate of the Board of Directors

The Corporation has adopted a form of written mandate of the Board of Directors which provides that the fundamental responsibilities of the Board of the Corporation are to: (i) identify and understand the risks associated with the business of the Corporation; (ii) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value; and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal control. The Board facilitates its exercise of independent supervision over management by ensuring that the Board has independent directors, as defined in Multilateral Instrument 52-110 – *Audit Committees*. The Board is also responsible for approving long-term strategic plans and annual operating budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financings.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the business of the Corporation in the ordinary course, evaluating new business opportunities and challenges, recruiting people and meeting all legal and regulatory requirements of the business.

Board of Directors

The Board currently is, and after the Meeting will be, composed of five (5) directors. Mr. Cherkas, Mr. Elliot and Mr. Gray, current directors and nominees for election as directors, are considered independent. Mr. Wilson and Mr. Elder, current directors and nominees for election as directors, are not considered independent by virtue of their positions as officers of the Corporation.

Directorships

The following directors are presently directors of other issuers which are reporting issuers or their equivalent in a domestic or foreign jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
C. Fraser Elliott	Cuspis Capital Ltd.	TSX-V	Director	October 5, 2018	Present

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Vital Retirement Living Inc.	TSX-V	Director	May 11, 1998	Present
	Gowest Gold Ltd.	TSX-V	Executive Chairman	March, 2009	Present

Orientation and Continuing Education

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors. The orientation program for each new director will be tailored to that director's needs and areas of interest.

As an ongoing process, the Board considers management development (including training and monitoring senior management) based mainly on periodic reports to the Board by the Compensation Committee and the Chief Executive Officer. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance, to attend related industry seminars and conventions and to visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

The Board does not currently have a written code of business conduct and ethics. The Board does have in place a formal mandate. In addition, the Corporation has a Share Trading Policy intended to protect investors and to promote investor confidence by preventing the misuse of material information.

While the Board does not take any formal measures to encourage and promote a culture of ethical business conduct, it does rely upon the selection of persons as directors, officers and employees who they consider to meet the highest ethical standards.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nominations of Directors

The Board's mandate provides that the Board selects nominees for election to the Board and that the Board must be composed of a majority of independent directors. The Board of the Corporation is currently comprised of a majority of independent directors. The Board does not have a nominating committee, but encourages an objective nomination process by considering succession planning (including appointment of management) based mainly on periodic reports to the Board by the Chief Executive Officer and Chief Financial Officer. The Board will annually review general and specific criteria to consider when directors are being appointed to the Board. The objective of this review will be to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation. The review will take into account the desirability of maintaining a balance of skills, experience and background, with appropriate diversity, along with the key common characteristics required for effective Board participation.

Compensation

The directors of the Corporation receive compensation in the form of Options pursuant to the Option Plan. The Board, on recommendation of the Compensation Committee, is responsible for determining all forms of compensation to be granted to the Chief Executive Officer and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of Sylogist. In this regard, the Board considers, among other things, that recruitment and retention of qualified executives is critical to the Corporation's success, that compensation must be fair and competitive, and that performance needs to be rewarded.

The compensation paid to executive officers consists of a combination of base salary, performance incentives and Options.

Other Board Committees

The Board does not have any standing committee other than the Audit and Compensation Committees.

Assessment

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should have regard to the mandate or charter of the Board or committee and should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

AUDIT COMMITTEE

The Audit Committee's Charter

The Audit Committee of the Board of Directors of the Corporation operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this Information Circular as Schedule B.

Composition of the Audit Committee

The following are the members of the Committee:

C. Fraser Elliott, Chairman	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Ronald P. Cherkas	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Taylor Gray	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined by National Instrument 52-110 ("NI 52-110").

Relevant Education and Experience

The following sets out the education and experience of each director relevant to the performance of his duties as a member of the Audit Committee:

C. Fraser Elliott, Chairman

Mr. Elliott has been the President of CFE Financial Inc., a private investment banking company, since 1987 offering financial consulting services to a variety of businesses in both the private and public sectors. He has held the position of Chief Financial Officer of several publicly listed corporations. He holds a B.A. (Economics) from the University of Western Ontario and an Honours Bachelor of Commerce (Accounting) from the University of Windsor.

Ronald P. Cherkas

Mr. Cherkas, a business consultant, has been a senior information technology executive with major oil and gas company and a major electrical utility company. With over 25 years information technology experience in insurance, agriculture, oil and gas and utilities, Mr. Cherkas brings a wealth of knowledge to Sylogist in the effective selection, implementation, and management of significant information technology projects.

Taylor Gray

Taylor Gray, CA, CPA has been a client service partner at BDO Canada LLP with over 30 years' experience in serving entrepreneurial businesses in the areas of accounting, auditing and taxation. His clientele spanned a wide variety of industries, including public companies, privately-held companies and not-for-profit organizations. In addition to his years in public accounting, he spent 5 years in sales for a private company and as Vice President, Finance for a public oil and gas service company. Mr. Gray also holds a B.A. (Economics) from Queens University.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, including Deloitte LLP's performance of certain services to assist Sylogist with the adoption of International Financial Reporting Standards.

External Auditor Service Fees (By Category)

Deloitte LLP has been the auditor of the Corporation since January 17, 2012. The aggregate fees billed by Deloitte LLP in each of the last two financial years for audit fees are as follows:

<u>Financial Year Ending</u>		<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>
2018	Deloitte LLP	144,000	N/A	N/A	13,030
2017	Deloitte LLP	140,000	8,500	N/A	13,150

Notes:

- (1) Audit fees consist of fees for the audit of annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements. The services provided in this category include quarterly review fees.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Sylogist's financial statements and are not reported as Audit Fees. The services provided in this category included research of accounting and audit-related issues and review of internal controls.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) These fees related to matters in regard to the change to strategic acquisitions, financing and other administrative charges.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

DIRECTORS' APPROVAL

The contents of this Information Circular, as well as its distribution to the Shareholders, have been approved by the Board of Directors of the Corporation.

AUDITORS AND TRANSFER AGENT

The auditors of the Corporation are Deloitte LLP, Chartered Professional Accountants, Suite #700, 850 - 2nd Street S.W., Calgary, Alberta, T2P 0R8.

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada, through its principal offices in Calgary, Alberta.

REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES

To the knowledge of the Corporation, other than as disclosed below, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Sylogist) that,

was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, 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 as director, chief executive officer or chief financial officer, or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including Sylogist) that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:

any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with the securities regulatory authority; or

any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Mr. C. Fraser Elliott is a director of Vital Retirement Living (“VRL”), a public company, which was previously listed on the TSX Venture Exchange, and which was the subject of a cease trade order issued by each of the British Columbia, Alberta and Ontario Securities Commissions for failure to file audited financial statements for the year ended December 31, 2002. VRL has not filed financial statements for any period subsequent to December 31, 2002.

INTEREST OF CERTAIN PERSONS 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 one of them, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as described in this Information Circular under the headings “Number of Directors” and “Election of Directors” and as described herein. All of the directors and executive officers of the Corporation hold Options to acquire Sylogist Shares pursuant to the Option Plan.

NORMAL COURSE ISSUER BID

On May 21, 2018, the Corporation implemented a normal course issuer bid (“**NCIB**”) through the facilities of the Exchange following acceptance of the Corporation’s notice (the “**Notice**”) to the Exchange to conduct the NCIB. The Corporation was authorized to acquire up to 2,025,432 Sylogist Shares (the “**Bid Shares**”) under the NCIB which expires on May 20, 2019 or the date when all of the Bid Shares are purchased. 256,300 Bid Shares have been acquired pursuant to the NCIB as of the date hereof. BMO Nesbitt Burns completed any purchases of Bid Shares in the market on behalf of the Corporation. A shareholder of the Corporation may obtain a copy of the Notice, without charge, by contacting the Corporation. See “Additional Information” for such contact information.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 102, 5 Richard Way S.W. Calgary, Alberta, T3E 7M8, (403) 266-4808 to request copies of the Corporation’s financial statements and management’s discussion and analysis.

Financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year, both of which are filed on SEDAR.

SCHEDULE A STOCK OPTION PLAN

1. Purpose

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified
- (c) **“Corporation”** means Sylogist Ltd. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the TSX Venture Exchange or any other stock exchange on which the Common Shares are listed;
- (f) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **“Insider”** has the meaning ascribed thereto in Exchange Policies;
- (h) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted.
- (j) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and

- (k) “Plan” shall mean the Corporation’s incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policy, including without limitation “Consultant”, “Employee”, “Insider”, “Investor Relations Activities”, “Management Company Employee”, “Tier 1 Issuer” and “Tier 2 Issuer”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. **Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

- (a) The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors are authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

4. **Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee’s relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

5. **Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall

automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders (as a group) exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders (as a group) within a twelve-month period, of a number of Options exceeding 10% of the outstanding Common Shares; or
- (c) the grant to any one (1) Optionee within a twelve-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant (or an aggregate of 2% of the issued and outstanding Common Shares in the case of an Optionee who is a Consultant or who is retained to provide Investor Relations Activities (as such terms are defined in Exchange Policies)).

Appropriate adjustments shall be made as set forth in Section 13 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

6. Option Agreement

- (a) A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.
- (b) The Board of Directors may require any Optionee to agree in the Stock Option Agreement that the Optionee, if so requested by the Corporation or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Corporation under the *United States Securities Act of 1933, as amended* (the "1933 Act"), Optionee shall not sell or otherwise transfer any Common Shares or other securities of the Corporation for a period of up to 180 days (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Corporation) following the effective date of a registration statement of the Corporation filed under the 1933 Act.

7. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "Expiry Date"), subject to earlier termination as provided in Sections 9 and 10 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

8. **Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 9 and 10 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist, provided that any Option granted to an Optionee retained to provide Investor Relations Activities shall vest over a period of not less than 12 months with no more than $\frac{1}{4}$ of such Options vesting in any three month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

The certificates representing any Common Shares issued to a "U.S. person" (as defined in Rule 902 of Regulation S under the 1933 Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. person, and any partnership or corporation organized or incorporated under the laws of the United States) shall, until such time as the same is no longer required under the applicable requirements of the 1933 Act or applicable U.S. state laws and regulations, bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE 1933 ACT, A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE APPLICABLE TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN FORM SATISFACTORY TO THE CORPORATION AND THE APPLICABLE TRANSFER AGENT TO THE EFFECT THAT THE SALE OF THE SECURITIES IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S

UNDER THE 1933 ACT AT A TIME WHEN THE CORPORATION IS A “FOREIGN ISSUER”
AS DEFINED IN REGULATION S UNDER THE 1933 ACT.”

9. **Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee’s ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

10. **Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee’s rights under the Option shall pass by the Optionee’s will or the laws of descent and distribution, or by the Optionee’s legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee’s death.

11. **Optionee’s Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

12. **Takeover or Change of Control**

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

13. **Anti-Dilution of the Option**

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

14. **United States Matters**

- (a) Each option granted under the Plan to an option holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a "U.S. Optionee") will be designated in the Option Agreement as either a non-qualified stock option or an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the "Code"), provided that the stock option complies with the following provisions. If not designated in the Option Agreement, the Option shall be an incentive stock option. No provisions of the Plan, as it may be applied to a U.S. Optionee who has been granted an incentive stock option within the meaning of Section 422 of the Code, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Notwithstanding anything in the Plan contained to the contrary, the following provisions shall apply to each U.S. Optionee who will be granted an incentive stock option within the meaning of Section 422 of the Code:
 - (i) options shall only be granted to U.S. Optionees who are, at the time of grant, officers, key employees or directors (provided, for purposes of this Section 14 only, such directors are then also officers or key employees of the Corporation or a subsidiary). Any director of the Corporation who is a U.S. Optionee shall be eligible to vote upon the granting of such option;

- (ii) the aggregate fair market value (determined as of the time the option is granted) of the Common Shares exercisable for the first time by a U.S. Optionee during any calendar year under the Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Corporation or any subsidiary shall not exceed US\$100,000;
 - (iii) the purchase price for Common Shares under each Option granted to a U.S. Optionee pursuant to the Plan shall be not less than the fair market value of such Common Shares at the time the option is granted, as determined in good faith by the directors at such time;
 - (iv) if any U.S. Optionee to whom an option is to be granted under the Plan at the time of the grant of such option is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation, then the following special provisions shall be applicable to the option granted to such individual:
 - (A) the purchase price per Common Share subject to such option shall not be less than one hundred and ten percent (110%) of the fair market value of one Common Share at the time of grant; and
 - (B) for the purposes of this Section 11 only the option exercise period shall not exceed five (5) years from the date of grant;
 - (v) no option may be granted hereunder to a U.S. Optionee following the expiry of five (5) years after the date on which the Plan is adopted by the Board or the date the Plan is approved by the shareholders of the Corporation, whichever is earlier;
 - (vi) no option granted to a U.S. Optionee under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Corporation; and
 - (vii) no incentive stock options may be granted under the Plan after ten (10) years after the adoption of this Plan by the Board of Directors of the Corporation.
- (b) At the discretion of the Board of Directors, Optionees may satisfy withholding obligations as provided in this paragraph. When an Optionee incurs tax liability in connection with an Option, which tax liability is subject to tax withholding under applicable tax laws (including, without limitation, income and payroll withholding taxes), and Optionee is obligated to pay the Corporation an amount required to be withheld under applicable tax laws, Optionee may satisfy the tax withholding obligation by one or some combination of the following methods: (a) by cash payment, (b) out of Optionee's current compensation, (c) if permitted by the Board of Directors, in its discretion, by surrendering to the Corporation, Common Shares that (i) have been owned by Optionee for more than six (6) months on the date of surrender or such other period as may be required to avoid a charge to the Corporation's earnings, and (ii) have a Market Value on the date of surrender equal to (or less than, if other consideration is paid to the Corporation to satisfy the withholding obligation) Optionee's marginal tax rate times the ordinary income recognized, plus an amount equal to the Optionee's share of any applicable payroll withholding taxes, or (d) if permitted by the Board of Directors, in its discretion, by electing to have the Corporation withhold from the Common Shares to be issued upon exercise of the Option, if any, that number of Common Shares having a Market Value equal to the amount required to be withheld. For this purpose, the Market Value of the Common Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined (the "Tax Date"). In making its determination as to the type of consideration to accept, the Board of Directors shall consider if acceptance of such consideration may be reasonably expected to benefit the Corporation or result in the recognition of compensation expense (or additional compensation expense) for financial reporting purposes.

15. **Withholdings**

- (a) If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of Options by Optionee, then the Optionee shall, concurrently with the exercise or disposition:
- (i) pay to the Corporation, in addition to the exercise price for the Options, if applicable, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;
 - (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines such portion of the Common Shares being issued upon exercise of the Options as is required to realize cash proceeds in the amount necessary to fund the required tax remittance; or
 - (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

16. **Costs**

The Corporation shall pay all costs of administering the Plan.

17. **Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority. Further, the Board of Directors may amend this Plan in order to: (i) fix typographical errors; and (ii) clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions, subject to the approval of the Exchange or other applicable regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan, or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof;
- (c) The Plan, and any amendments, thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

18. **Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

19. **Prior Plans**

On the effective date (as defined in Section 20 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to the Plan.

20. **Effective Date**

This Plan shall become effective as of and from, and the effective date of the Plan shall be April 29, 2009, upon all necessary shareholder and regulatory approvals.

SCHEDULE B
CHARTER OF THE AUDIT COMMITTEE OF SYLOGIST LTD.

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of at least three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation’s Charter, the definition of “financially literate” is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of “accounting or related financial management expertise” is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

Review and update this Charter annually.

- (a) Review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (b) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (c) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (g) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (h) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (i) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (j) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the financial year in which the non-audit services are provided;

such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

The Committee will review any related party transactions.