

SYLOGIST LTD.



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 12, 2020

- and -

MANAGEMENT INFORMATION CIRCULAR

JULY 13, 2020

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 (the “**Shareholders**”) of common shares (“**Common Shares**”) 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, August 12, 2020, 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, 2019, together with the report of the auditors thereon;
2. To fix the board of directors of the Corporation at six (6) 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 KPMG 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;
6. To approve, with or without modification, the ordinary resolution authorizing, approving, adopting, ratifying and confirming the amended and restated by-law no. 1 of the Corporation; and
7. 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 **June 23, 2020** (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 its 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 it 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.

COVID-19

Amid ongoing concerns about the Coronavirus (COVID-19) pandemic, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Corporation currently intends on holding an in person Shareholder meeting. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at www.sylogist.com or the Corporation’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

In light of current provincial recommendations against large gatherings, at this time, only registered Shareholders or their duly appointed proxy holders will be allowed to attend the Meeting.

In addition, in view of current and potential future guidance regarding social distancing and further restrictions on large gatherings, in order to ensure as many Common Shares as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under "Advice to Beneficial Shareholders of Sylogist Shares" in the accompanying Management Information Circular.

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.

DATED as of the 13th day of July, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

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

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SYLOGIST LTD.

INFORMATION CIRCULAR

Annual General and Special Meeting of Shareholders
to be held on Wednesday, August 12, 2020

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, August 12, 2020 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 July 13, 2020 unless otherwise stated.

Amid ongoing concerns about the Coronavirus (COVID-19) pandemic, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Corporation currently intends on holding an in person Shareholder meeting. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at www.sylogist.com or the Corporation’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

In light of current provincial recommendations against large gatherings, at this time, only registered Shareholders or their duly appointed proxy holders will be allowed to attend the Meeting.

In addition, in view of current and potential future guidance regarding social distancing and further restrictions on large gatherings, in order to ensure as many Common Shares as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “Advice to Beneficial Shareholders of Sylogist Shares” below.

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.

REVOCAION 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 Depository 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 July 13, 2020, there were 23,766,644 Sylogist Shares issued and outstanding. Each Sylogist Share carries the right to one vote at meetings of Shareholders.

June 23, 2020 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.

The following table lists the person who, 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:

<u>Name</u>	<u>Type of Ownership</u>	<u>Number of Sylogist Shares Beneficially Owned⁽¹⁾</u>	<u>Percent of Sylogist Shares Currently Outstanding</u>
Mawer Investment Management Ltd.	Indirect	3,309,735	13.93%
Burgundy Asset Management Ltd.	Direct	2,385,616	10.04%

Note:

(1) 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.

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, 2,353,661 Sylogist Shares representing approximately 9.9% 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, 2019. At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended September 30, 2019 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 six (6) 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 six (6). In order to be effective, the resolution fixing the number of directors to be elected at the Meeting at six (6) 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. Mr. Ronald P. Cherkas and Mr. C. Fraser Elliott, long-standing members of the Board of Directors, will not be seeking re-election 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 ⁽⁴⁾ Alberta, Canada <i>Chairman CEO President</i>	President and CEO of the Corporation since May 8, 2008.	Director since October 2001	243,000
David O.C. Elder ⁽⁴⁾ Alberta, Canada <i>Executive Vice-President, & Corporate Secretary</i>	Executive Vice-President, and Corporate Secretary of the Corporation since February 2006.	Director since June 12, 2008	525,631
Lester Fernandes Quebec, Canada <i>Director</i>	President and CEO of Segovia Capital Ltd., a family investment company, since 2018. Prior thereto, Co-Founder and CFO of Pivotal Payments Ltd., a financial technology company that specializes in payment processing, since 2001.	N/A	1,000
Barry D.A. Foster ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada <i>Director</i>	President and Portfolio Manager, Innerkip Capital Management since 2004.	Director since June 25, 2019	693,700
Taylor Gray ⁽²⁾⁽³⁾⁽⁴⁾ Alberta, Canada <i>Director</i>	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	13,400
Craig O'Neill Ontario, Canada <i>Director</i>	CEO of VersaPay Corp., a financial technology company that specializes in accounts receivable software, since 2013.	N/A	Nil.

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.
- (4) Current member of the Nominating and Governance 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

In July 2019, the Corporation's former auditors, Deloitte LLP, Chartered Professional Accountants, were replaced as auditors of the Corporation. Effective July 19, 2019, KPMG LLP, Chartered Professional Accountants, were appointed as auditors of the Corporation and have acted as the Corporation's auditors since such date.

In accordance with the National Instrument 51-102 – *Continuous Disclosure Obligations*, attached to this Information Circular as Schedule “D” is the requisite reporting package, including the Notice of Change of Auditors dated the 19th day of July 2019 and letters from the former and successor auditors, all as filed with applicable securities commissions.

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 KPMG LLP, Chartered Professional Accountants, be appointed as auditors of the Corporation.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies FOR the appointment of KPMG 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 KPMG 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, 2019. 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, 2019 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 the number of Options outstanding and the number of Options remaining available for grant as of July 13, 2020.

	Number	Percentage of Currently Outstanding Shares
Total Available under Option Plan	2,376,664	10.00%
Options Outstanding	2,015,000	8.48%
Options Available for Grant	361,664	1.52%

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 July 13, 2020 (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; and
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.

Approval of Amended and Restated By-Law No. 1

On July 13, 2020, the Board approved the adoption by the Corporation of certain amendments to the Corporation’s by-law No. 1, as amended by the amended and restated by-law no. 1 (the “**Amended and Restated By-Law No. 1**”), subject to confirmation and approval of such Amended and Restated By-Law No. 1 by the Shareholders at the Meeting as required pursuant to the *Business Corporations Act* (Alberta), as more particularly set forth below. A copy of the Amended and Restated By-Law No. 1 is attached hereto as Schedule “B”.

Description of Material Differences between By-Law No. 1 and the Amended and Restated By-Law No. 1

The Amended and Restated By-Law No. 1 provides for the requirement of advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition to call a shareholders meeting made pursuant to the provisions of the *Business Corporations Act* (Alberta); or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (Alberta) (the “**Advance Notice Provision**”).

Among other things, the Advance Notice Provision fixes a deadline by which holders of record of Sylogist Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

In the case of an annual meeting of Shareholders, notice to the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Provision provides Shareholders, directors and management of the Corporation with a clear process for nominating directors and sets out a reasonable time frame for director nominee submissions along with a requirement for accompanying information. The purpose of the Advance Notice Provision is to treat all Shareholders fairly by ensuring that all Shareholders, including those Shareholders participating in a meeting by proxy rather than in person, receive adequate notice of the director nominations to be considered at a meeting in order to exercise their voting rights in an informed manner. In addition, the Advance Notice Provision should assist in facilitating an orderly and efficient meeting process.

The above is only a summary of the Advance Notice Provision contained in the Amended and Restated By-Law No. 1. Shareholders are urged to review the Amended and Restated By-Law No. 1 in its entirety as attached hereto as

Schedule “B”. Pursuant to the *Business Corporations Act* (Alberta), Shareholders must confirm the Amended and Restated By-Law No. 1 at the Meeting by passing an ordinary resolution authorizing, approving, adopting, ratifying and confirming the Amended and Restated By-Law No. 1.

Resolution for Approval of the Amended and Restated By-Law No. 1

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve and to pass the following ordinary resolution approving the Amended and Restated By-Law No. 1:

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

1. the amended and restated by-law no. 1 of the Corporation, in the form attached as Schedule “B” to the management information circular of the Corporation dated July 13, 2020 (the “**Amended and Restated By-Law No. 1**”), is hereby authorized, approved, adopted, ratified and confirmed as the Amended and Restated By-Law No. 1 of the Corporation; and
2. any one (1) officer or director of the Corporation be and is hereby authorized to execute all such agreements, instruments, certificates, directions, notices, acknowledgements, receipts and other writings and perform such acts as may be necessary in order to give effect to the adoption of the Amended and Restated By-Law No. 1 as herein contemplated.”

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of the approval of the Amended and Restated By-Law No. 1. In order to be effective, the ordinary resolution approving the Amended and Restated By-Law No. 1 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, 2019. 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, 2019, 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 Corporate Development and Investor Relations (who departed the Corporation effective September 30, 2019); 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, Mr. Foster 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, Mr. Foster 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. In fiscal 2019, the Compensation Committee reviewed the compensation structure for executives, in particular as it provided for bonuses based on the Corporation's expectations of continually growing free cash flow, and recommended negotiating changes to their employment agreements with its senior executives, which recommendations were accepted by the Board, which then negotiated changes to those employment agreements which were implemented effective October 15, 2019, the particulars of which are described below.

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 2019, 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. Effective October 15, 2019, the Corporation agreed to the buy-out of the contractual annual bonus compensation arrangements with Mr. Wilson and Mr. Elder for a one-time aggregate cash payment of \$12 million. Commencing in fiscal 2020 (year commencing October 1, 2019 and effective October 15, 2019), and fiscal years thereafter, at the discretion of the Board and subject to the annual review and recommendation of the Compensation Committee of the Board, Mr. Wilson and Mr. Elder may be entitled to an annual cash bonus, which are not set in relation to any formula or specific criteria but are a result of subjective determination based on each officer's contribution to overall strategic value improvements in the Corporation, including incremental improvements, if any, in consolidated revenue and internally Adjusted EBITDA (as defined in the Company's financial statements and MD & A) for the current period or subsequent higher performance levels in ensuing fiscal years (high water mark), any of which bonuses may not exceed 150% of base salary in a given year.

In fiscal 2019, Mr. Shorter and Mr. Drouillard were each 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.

15,000 options were issued to an officer of the Corporation in fiscal 2019.

Summary Compensation Table

The following table sets forth for the financial years ended September 30, 2017, September 30, 2018 and September 30, 2019, 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 ⁽³⁾	All Other Compensation ⁽⁴⁾	Total Compensation
		(\$)	(\$)	(\$)	Annual Incentive Plan (Bonus)	Long-term Incentive Plans	(\$)	(\$)	(\$)
James D. Wilson ⁽⁵⁾ President and CEO	2019	550,000	Nil	Nil	2,005,828	N/A	N/A	N/A	2,555,828
	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
David O.C. Elder ⁽⁵⁾ Executive Vice President and Corporate Secretary	2019	300,000	Nil	Nil	1,002,914	N/A	N/A	N/A	1,302,914
	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
Xavier Shorter ⁽⁶⁾ Vice President, Finance & CFO	2019	200,000	Nil	Nil	77,745	N/A	N/A	N/A	277,745
	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
Andre Drouillard ⁽⁸⁾ Vice President, Corporate Development & Investor Relations	2019	200,000	Nil	Nil	64,856	N/A	N/A	160,727	425,583
	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⁾ Vice President, Operations	2019	255,617	Nil	38,682 ⁽¹²⁾	33,128	N/A	N/A	N/A	327,427
	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

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, 2019. 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, 2019 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 are not generally available to all employees.

- (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 June 30, 2017 at an exercise price of \$8.25.
- (8) Mr. Drouillard was appointed as Vice President Corporate Development and Investor Relations on June 1, 2017 and departed the Corporation effective September 30, 2019.
- (9) Mr. Drouillard was granted 75,000 options on June 30, 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 15,000 options on January 1, 2019 at an exercise price of \$12.75.

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, 2019, during which period no further options were granted to Named Executive Officers. The Named Executive Officers 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⁾
		(#)	(\$)		(\$)
Xavier Shorter	October 1, 2016	50,000	10.10	September 30, 2021	35,000
	May 11, 2017	25,000	8.25	May 10, 2022	63,750
Andre Drouillard	May 11, 2017	75,000	8.25	May 10, 2022	191,250
Donna Smiley	January 15, 2019	15,000	12.75	January 15, 2024	Nil
	May 27, 2015	50,000	9.19	May 26, 2020	80,500
	October 1, 2016	10,000	10.10	September 30, 2021	7,000

Note:

- (1) Calculated based on the differences between the closing price of \$10.80 per Sylogist Share on the Exchange on September 30, 2019 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, 2019.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)
Xavier Shorter ⁽²⁾	88,746
Andre Drouillard ⁽³⁾	160,000
Donna Smiley ⁽⁴⁾	11,332

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, 2018 and 8,333 Options granted on June 30, 2017 vested on June 30, 2019.
- (3) 25,000 Options granted on June 30, 2017 vested on June 30, 2019 and 25,000 options granted on June 30, 2017 vested on September 30, 2019.
- (4) 3,333 Options granted on October 1, 2016 vested on October 1, 2018.

Aggregated Stock Option Exercises

The Named Executive Officers did not exercise any Options during the financial year ended September 30, 2019.

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 times, and Mr. Elder, one times, his latest fiscal years' base salary and bonus plus 25% of such amounts in lieu of benefits; or (ii) in the case of Mr. Wilson, 2.0% (to a maximum of \$10 million), and in the case of Mr. Elder, 1.0% (to a maximum of \$5 million), 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 times his latest fiscal years' base salary and bonus, 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, 2019

The following table sets forth the estimated incremental payments and benefits that would have been received by Named Executive Officers following a “change of control” of the Corporation, had such event occurred on September 30, 2019.

Name	Employment Agreements ⁽¹⁾ (\$)	Stock Option Plan ⁽²⁾ (\$)	Total (\$)
James D. Wilson, President & CEO	10,239,153	Nil	10,239,153
David O.C. Elder Executive Vice President & Corporate Secretary	5,119,577	Nil	5,119,577
Xavier Shorter Vice President, Finance & CFO	347,181	98,750	445,931
Andre Drouillard Vice President, Business Development & Investor Relations	160,727	Nil	160,727
Donna Smiley Vice President, Operations	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, 2019. Effective October 15, 2019, the employment agreements of Messrs. Wilson and Elder were amended, thereby changing the estimated incremental payments and benefits to be received by them upon a “change of control” of the Corporation. Under the new employment arrangements, the “Total” calculated as at September 30, 2019 for Mr. Wilson and Mr. Elder would be \$5,119,577 and \$2,559,789, respectively. See “*Termination and Change of Control Benefits*” above.
- (2) As provided for in the Option Plan, assuming a change of control on September 30, 2019 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, 2019, being the last trading day in the Corporation’s fiscal year ended September 30, 2019, of \$10.80.

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, 2019, 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	40,000	Nil	Nil ⁽⁴⁾	N/A	N/A	N/A	40,000
Barry Foster	10,000	Nil	Nil ⁽⁵⁾	N/A	N/A	N/A	10,000

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, 2019.
- (2) No Options were granted to Mr. Cherkas in fiscal 2019.
- (3) No Options were granted to Mr. Elliott in fiscal 2019.
- (4) No Options were granted to Mr. Taylor in fiscal 2019.
- (5) No Options were granted to Mr. Foster in fiscal 2019.

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, 2019. 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	1-Oct-16	20,000	10.10	30-Sep-21	14,000
Taylor Gray	1-Jan-18	20,000	10.08	31-Dec-22	14,400
	1-Jan-18	40,000	10.08	31-Dec-22	Nil

Note:

- (1) Calculated based on the differences between the closing price of \$10.80 per Sylogist Share on the Exchange on September 30, 2019 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, 2019.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)
Ronald P. Cherkas ⁽²⁾	7,000
Taylor Gray ⁽³⁾	14,400

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, 2018.
- (3) 20,000 Options granted on January 1, 2018 vested on January 1, 2019.

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, 2019. The following table provides certain information regarding Options under the Option Plan as at September 30, 2019.

Option Plan Category	Number of Sylogist Shares Issuable Upon Exercise of Options Issued and Outstanding as at September 30, 2019	Weighted-Average Exercise Price of Outstanding Options as at September 30, 2019	Number of Sylogist Shares Remaining Available for Future Issuance under the Plan as at September 30, 2019
Equity Compensation Plans Approved by Shareholders	330,300	\$9.48	2,039,874
Equity Compensation Plans not Approved by Shareholders	Nil	Nil	Nil
Total	330,300	\$9.48	2,039,874

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, 2019 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

Except as disclosed herein, 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, 2019 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 six (6) directors. Mr. Cherkas, Mr. Elliott, Mr. Foster and Mr. Gray, current directors, are considered independent and Mr. Fernandes, Mr. O’Neill, Mr. Foster and Mr. Gray, 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.

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
C. Fraser Elliott	Cuspis Capital Ltd.	TSX-V	Director	October 5, 2018	Present
	Vital Retirement Living Inc.	TSX-V	Director	June 30, 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, the Nominating and Governance 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, developments and changes in legislation, to attend related industry seminars and conventions, and to visit the Corporation's operations. In addition to having full access to the Corporation's records, the Board is also provided with reports from, and presentations by, senior management of the Corporation with respect to a variety of matters, including operations, finances and human resources.

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 of Directors has a Nominating and Governance Committee, comprised of Mr. Elliott, Mr. Foster and Mr. Gray, who are independent. The Nominating and Governance Committee is responsible for identifying suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Nominating and Governance Committee is to consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess to guide the long term strategy and ongoing business operations of the Corporation; (ii) the competencies and skills that the Board considers each existing director to possess, with appropriate diversity; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. 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 Nominating and Governance Committee will annually review general and specific criteria to consider when directors are being appointed to the Board.

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 Committee, Compensation Committee and the Nominating and Governance Committee.

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 "C".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Taylor Gray, Chair	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Barry D.A. Foster	Independent ⁽¹⁾	Financially literate ⁽¹⁾
C. Fraser Elliott	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Ronald P. Cherkas	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:

Taylor Gray, Chair

Mr. 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.

Barry D.A. Foster

Mr. Foster has been a President and Portfolio Manager of Toronto-based Innerkip Capital Management Inc., since June 2004. He is registered with the OSC as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager, specializing in direct investments in small-cap Canadian-listed companies. Innerkip has been a Sylogist shareholder since 2006. From 2000 to 2003, Mr. Foster was a founding Partner of a New York-based private fund manager specializing in structured equity. From 1997 to 2000, he was a

founding member and Vice President of the Equity Structured Trading Group, HSBC Securities' Canadian proprietary trading and derivatives group. Mr. Foster is a graduate of the Ivey School of Business, Honours Bachelor of Arts in Business Administration (HBA) and began his career with HSBC Securities, where he specialized in Institutional Preferred Shares. Mr. Foster received the Chartered Financial Analyst designation (CFA) in 1998.

C. Fraser Elliott

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.

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 from January 17, 2012 until July 18, 2019. On July 19, 2019, KPMG LLP has been appointed as auditors of the Corporation. The aggregate fees billed by auditors 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>
2019	KPMG LLP	140,000	9,800	N/A	N/A
2018	Deloitte LLP	144,000	N/A	N/A	13,030

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 KPMG LLP, Chartered Professional Accountants, Suite #3100, 205–5th Avenue S.W., Calgary, Alberta, T2P 4B9.

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:
 - (i) 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
 - (ii) 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:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with the securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

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, 2019, 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 2,007,913 Sylogist Shares (the “**Bid Shares**”) under the NCIB which expired on May 20, 2020. 30,000 Bid Shares were acquired pursuant to the NCIB between May 21, 2019 and May 20, 2020. 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 ¼ 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”
AMENDED AND RESTATED BY-LAW NO. 1 OF SYLOGIST LTD.**

AMENDED AND RESTATED BY-LAW NO. 1

OF

SYLOGIST LTD.

(the “Corporation”)

**RELATING GENERALLY TO THE
TRANSACTION OF THE BUSINESS
AND AFFAIRS OF THE
CORPORATION**

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BE IT ENACTED as a By-Law of the Corporation as follows:

**SECTION 1
INTERPRETATION**

1.1 DEFINITIONS

Definitions in the By-Laws of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Business Corporations Act* Statutes of Alberta 1981 c.B-15, Regulations thereto, and any statute that may be substituted therefor, as from time to time amended; marginal references to sections of the Act herein are not made for the purpose of modifying or affecting the meaning of any provision of this By-Law in any way but are inserted only for the purpose of directing attention to provisions of the Act which may be regarded as relevant;
- (b) “appoint” includes “elect” and vice versa;
- (c) “Articles” means the articles attached to the Certificate of Incorporation of the Corporation as from time to time amended or restated;
- (d) “Board” means the Board of Directors of the Corporation;
- (e) “By-Laws” means this Amended and Restated By-Law No. 1 and all other By-Laws of the Corporation from time to time in force and effect relating to transaction of business and affairs of the Corporation in addition hereto, or in amendment hereof or in substitution for all or any part of this By-Law;
- (f) “Corporation” means the Corporation incorporated by Certificate of Incorporation under the Act and bearing the name stated at the head of this By-Law;
- (g) “Director” means a person occupying the position of director by whatever name called and “Directors” and “Board of Directors” includes a single director;
- (h) “Meetings of shareholders” includes an annual meeting of shareholders and a Special Meeting of shareholders; “Special Meeting of shareholders” includes both a meeting of any class or classes acting separately from any other class or classes and also a meeting, other than an annual meeting, of all shareholders entitled to vote at an annual meeting of shareholders;
- (i) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Alberta);
- (j) “ordinary resolution” means a resolution:
 - (i) passed by a majority of the votes cast by the shareholders who voted in respect of that resolution;
or
 - (ii) signed by all the shareholders entitled to vote on that resolution;
- (k) “recorded address” means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding determined under Section 8.9 and in the case of a Director, officer, auditor or member of a committee of Directors, his latest address as recorded in the records of the Corporation;

- (l) “Unanimous Shareholder Agreement” means:
- (i) a written agreement to which all the shareholders of a corporation are or are deemed to be parties, whether or not any other person is also a party; or
 - (ii) a written declaration by a person who is the beneficial owner of all the issued shares of a corporation,
- that provides for any of the following matters:
- (a) the regulation of the rights and liabilities of the shareholders, as shareholders, among themselves or between themselves and any other party to the agreement;
 - (b) the regulation of the election of Directors;
 - (c) the management of the business and affairs of the Corporation, including the restriction or abrogation, in whole or in part, of the powers of the Directors; and
 - (d) any other matter that may be contained in an Unanimous Shareholder Agreement pursuant to any other provision of the Act.
- 1.2 Save as aforesaid, words and expressions defined in the Act have the same meaning when used herein.
- 1.3 Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION 2 BUSINESS OF THE CORPORATION

2.1 BANKING ARRANGEMENTS

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time by resolution prescribe or authorize.

2.2 VOTING RIGHTS IN OTHER BODIES CORPORATE

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.3 WITHHOLDING INFORMATION FROM SHAREHOLDERS

Subject to the provisions of the Act, no shareholders shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would not be in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the

inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

SECTION 3 BORROWING AND SECURITIES

3.1 BORROWING POWER

Without limiting the borrowing powers of the Corporation as set forth in the Act, the Board is authorized from time to time:

- (a) to borrow money upon the credit of the Corporation in such amounts and on such terms as may be deemed expedient;
- (b) to issue, re-issue, sell or pledge bonds, debentures, notes or other evidence of indebtedness of the Corporation, whether secured or unsecured for such sums and at such prices as may be deemed expedient;
- (c) to give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) to charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 The Board may from time to time delegate to any Director or committee of Directors or officers the power to make arrangements with reference to the money borrowed or to be borrowed as provided in Section 3.1 of this By-Law, and as to the terms and conditions of the borrowing thereof, and as to the security to be given therefor, with power from time to time to vary or modify any such arrangements, terms and conditions and to give such additional security for any moneys borrowed or remaining due by the Corporation, all as the Board may so delegate, and generally to manage, transact and settle the borrowing of money by the Corporation.

3.3 The Board may from time to time delegate to any Director or committee of Directors or officers the power to sign, execute and give on behalf of the Corporation all documents, agreements, promises and other writings necessary or desirable for the purposes aforesaid and to draw, make, accept, endorse, execute and issue cheques, promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments, and the same, and all renewals thereof or substitutions therefor so signed, shall be binding upon the Corporation.

3.4 The powers conferred by this By-Law are and are deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its Directors or officers independently of a borrowing By-Law.

SECTION 4 DIRECTORS

4.1 QUORUM

Subject to the Articles or By-Laws a majority of the number of Directors appointed constitutes a quorum at any meeting of Directors, and notwithstanding any vacancy among the Directors, a quorum of Directors may exercise all the powers of the Directors.

4.2 QUALIFICATION

No person shall be a Director of the Corporation:

- (a) if he is less than eighteen (18) years of age;
- (b) if he is a dependent adult as defined in the *Dependent Adults Act* or is the subject of a certificate of incapacity under that Act;
- (c) if he is a formal patient as defined in the *Mental Health Act, 1972*;
- (d) if he is the subject of an order under the *Mentally Incapacitated Persons Act* appointing a committee of his person or estate or both;
- (e) if he has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- (f) if he is not an individual; or
- (g) if he has the status of a bankrupt.

A Director need not be a shareholder. Fifty (50%) percent of the Directors shall be resident Canadians. When required by the Act, but not otherwise, at least two Directors shall not be officers or employees of the Corporation or its affiliates.

4.3 NOMINATION OF DIRECTORS

Subject only to the Act and the Articles, only persons who are nominated in accordance with the following procedures (the “**Advance Notice Provisions**”) shall be eligible for election as Directors. Nominations of persons for election to the Board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which such meeting was called is the election of Directors:

- (a) by or at the discretion of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “Nominating Shareholder”) who,
 - (i) at the close of business on the date of the delivery by the Nominating Shareholder of the notice provided for below in this Section 4.3 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) complies with the notice procedures set forth below in this Section 4.3. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have delivered notice thereof that is both timely (in accordance with this Section 4.3) and in proper written form (in accordance with this Section 4.3) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following such public announcement; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall be determined based on the original date of the applicable annual meeting or special meeting of shareholders; however, if such applicable annual meeting or special meeting of shareholders is adjourned or postponed, the time periods for the giving of a Nominating Shareholder's notice set forth above shall be determined based on the new date of the applicable adjourned or postponed annual meeting or special meeting of shareholders.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director:
 - (i) the name, age, business address and residential address of the person;
 - (ii) the principal occupation or employment of the person;
 - (iii) the citizenship of such person;
 - (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) a statement as to whether the person would be 'independent' of the Corporation (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 - Audit Committees of the Canadian Securities Administrators, as such provisions may amended from time to time) if elected as a Director at such meeting and the reasons and basis for such determination; and
 - (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice:
 - (i) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has the right to vote any shares in the capital of the Corporation;
 - (ii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

- (iii) the class or series and number of shares in the capital of the Corporation which are controlled or over which direction is exercised, directly or indirectly, or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee

No person shall be eligible for election as a Director unless nominated in accordance with the provisions of this Section 4.3; provided, however, that nothing in this Section 4.3 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of Directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the chairman. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of this Section 4.3:

- (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of applicable securities regulatory authorities.

Notwithstanding any other provision of these By-Laws, notice given to the Corporate Secretary of the Corporation pursuant to this Section 4.3 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provisions.

4.4 ELECTION AND TERM

Each Director named in the Notice of Directors filed at the time of incorporation shall hold office from the date of the Certificate of Incorporation until the first meeting of shareholders. An election of Directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders thereafter. All the Directors shall retire at each annual meeting but, if qualified, shall be eligible for re-election. A Director shall retain office only until the election of his successor. The number of Directors to be elected at any such meeting shall be the number of Directors then in office unless the Directors or the shareholders otherwise

determine. The election shall be by ordinary resolution. If an election of Directors is not held at the proper time, the incumbent Directors shall continue in office until their successors are elected.

4.5 REMOVAL OF DIRECTORS

Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a special meeting remove any Director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the Directors.

4.6 VACATION OF OFFICE

A Director ceases to hold office when:

- (a) he dies;
- (b) he is removed from office by the shareholders;
- (c) he ceases to be qualified for election as a Director; or
- (d) his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.7 VACANCIES

Subject to the Act and the Articles, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the minimum number of Directors or from a failure of the shareholders to elect the minimum number of Directors and may also add to their numbers and appoint additional Director(s) but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of Directors the Board shall forthwith call a special meeting of the shareholders to fill the vacancy. If the Board fails to call such meeting or if there are no such Directors then in office, any shareholder may call the meeting.

4.8 ACTION BY THE BOARD

Subject to any Unanimous Shareholder Agreement, the Board shall manage the business and affairs of the Corporation. Subject to Sections 4.9 and 4.10, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Board and any resolution in writing so signed shall be as valid as if it had been passed at a meeting of Directors or a committee of Directors. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of Directors or committee of Directors. Where there is a vacancy in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remains in office. Where the Corporation has only one Director, that Director may constitute a meeting. An act of a Director is valid notwithstanding any irregularity in his election or appointment or a defect in his qualifications.

4.9 CANADIAN RESIDENCY

The Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless fifty (50%) percent of the Directors present are resident Canadians, except where:

- (a) a resident Canadian Director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and

- (b) the number of resident Canadian Directors present at the meeting, together with any resident Canadian Director who gives his approval under clause (a), totals at least half of the Directors present at the meeting.

4.10 MEETINGS BY TELEPHONE

A Director may participate in a meeting of the Board or of a committee of Directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

4.11 PLACE OF MEETINGS

Meetings of the Board may be held at any place.

4.12 CALLING OF MEETINGS

Meetings of the Board shall be held from time to time and at such place as the Board may determine. In addition, each of the Chairman of the Board, the President, the Managing Director or any two Directors may convene or direct the convening of a meeting of the Board.

4.13 NOTICE OF MEETING

Except as otherwise provided in Section 4.14, notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 12.1 to each Director not less than forty-eight (48) hours before the time when the meeting is to be held. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting except where Section 109(5) of the Act requires such purpose business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the Directors or in the office of auditor;
- (c) issue securities;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a reasonable commission referred to in Section 39 of the Act;
- (g) approve a management proxy circular referred to in Part 12 of the Act;
- (h) approve any financial statements referred to in Section 149 of the Act; or
- (i) adopt, amend or repeal By-Laws.

A Director may in any manner waive notice of or otherwise consent to a meeting of the Board either before or after the convening of the meeting.

4.14 REGULAR MEETINGS

The Board may by resolution appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named in the resolution. No notice shall be required for any such regular meeting.

4.15 FIRST MEETING OF NEW BOARD

Provided a quorum of Directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

4.16 ADJOURNED MEETING

Notice of an adjourned meeting of the Board is not required if the time and 109(7) place of the adjourned meeting is announced at the original meeting.

4.17 CHAIRMAN

The Chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a Director and is present at the meeting: Chairman of the Board, President, Managing Director, or a Vice-President who is a Director. If no such officer is present, the Directors present shall choose one of their number to be Chairman.

4.18 VOTES TO GOVERN

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. Subject to any Unanimous Shareholder Agreement, in cases of an equality of votes, no person shall be entitled to a second or casting vote.

4.19 CONFLICT OF INTEREST

A Director or officer who is a party to, or who is a Director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the Board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a Director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.20 REMUNERATION AND EXPENSES

Subject to the Articles, the By-Laws, or any Unanimous Shareholder Agreement, the Directors shall be paid such remuneration for their services as the Board may from time to time determine. The Directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION 5 COMMITTEES

5.1 COMMITTEE OF DIRECTORS

The Board may appoint a committee of Directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a committee of Directors has no authority to exercise. Fifty (50%) percent of the members of such committee shall be resident Canadians.

5.2 TRANSACTION OF BUSINESS

Subject to the provisions of Section 4.10, the powers of a committee of Directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such

committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place.

5.3 AUDIT COMMITTEE

When required by the Act the Board shall, and at any other time the Board may, elect annually from among its number an audit committee to be composed of not fewer than three (3) Directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

5.4 PROCEDURE

Unless otherwise determined by the Board, each committee of Directors shall have the power to fix its quorum at not less than a majority of its members, to, elect its Chairman and to regulation its procedures.

SECTION 6 OFFICERS

6.1 APPOINTMENT

Subject to any Unanimous Shareholder Agreement, the Board may from time to time appoint a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this By-Law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to s 6.2 and 6.3, an officer may but need not be a Director and one person may hold more than one office.

6.2 CHAIRMAN OF THE BOARD

The Board may from time to time also appoint a Chairman of the Board who shall be a Director. If appointed, the Board may assign to him any of the powers and duties that are by any provisions of this By-Law assigned to the President; and he shall, subject to the provisions of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the Chairman of the Board, his duties shall be performed and his powers exercised by the President or by the Managing Director, if any.

6.3 PRESIDENT

If appointed, the President shall be the chief operating and executive officer 116(a) and, subject to the authority of the Board, shall have General supervision of the business of the Corporation; and he shall have such other powers and duties as the Board may specify.

6.4 VICE-PRESIDENT

A Vice-President shall have such powers and duties as the Board or the chief executive officer may specify.

6.5 SECRETARY

The Secretary shall attend and be the Secretary of all meetings of the Board, shareholders and committees of the Board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, Directors, officers, the auditor and members of committees of Directors; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent

has been appointed for that purpose; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.6 TREASURER

The Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board whenever required an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.7 MANAGING DIRECTOR

The Board may from time to time appoint a Managing Director who shall be a resident Canadian and a Director. The Managing Director shall, subject to the provisions of the Act, have such powers and duties as the Board may specify.

6.8 POWERS AND DUTIES OF OTHER OFFICERS

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.9 VARIATION OF POWERS

The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 TERM OF OFFICE

The Board, in its discretion, may remove any officer of the Corporation from his position as officer. Otherwise each officer appointed by the Board shall hold office until the earlier of the date his resignation becomes effective, the date his successor is appointed or he shall cease to be qualified for that office under Section 6.2 or 6.3 if applicable.

6.11 TERMS OF EMPLOYMENT AND REMUNERATION

The terms of employment and the remuneration of officers appointed by the Board shall be settled by it from time to time.

6.12 CONFLICT OF INTEREST

An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with Section 4.19.

6.13 AGENTS AND ATTORNEYS

An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with Section 4.19.

6.14 FIDELITY BONDS

The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 LIMITATION OF LIABILITY

No Director shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided- that nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act and the regulations thereunder-or from liability for any breach thereof.

7.2 INDEMNITY

Subject to the limitations contained in the Act, the Corporation shall indemnify a Director or officer, a former Director or officer, or a person who ads or acted at the Corporation's request as a Director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he' is made a party by reason of being or having been a Director or officer of the Corporation or such body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

7.3 INSURANCE

Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its Directors and officers as such, as the Board may from time to time determine.

SECTION 8 SHARES

8.1 ALLOTMENT AND ISSUE

Subject to the Articles, the By-Laws, and any Unanimous Shareholder Agreement the Board may from time to time allot, or grant options to purchase the whole or any part of the authorized and unissued, shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as prescribed by the Act. Subject to the Articles, no holder of any class of share of the capital of the Corporation shall be entitled as of right to subscribe for,

purchase or receive any part of any new or additional issue of shares of any class, whether now or hereafter authorized or any bonds, debentures or other securities convertible into shares of any class.

8.2 COMMISSIONS

The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 REGISTRATION OF TRANSFER

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer, if any, as are authorized by the Articles, and upon satisfaction of any lien referred to in Section 8.5.

8.4 TRANSFER AGENTS AND REGISTRARS

The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers or transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.5 LIEN FOR INDEBTEDNESS

If the Articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the Articles and to any Unanimous Shareholder Agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement. The Corporation may refuse to register a transfer of the whole or any part of such shares subject to the lien.

8.6 NON-RECOGNITION OF TRUSTS

Subject to the provisions of the Act, the Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

8.7 SHARE CERTIFICATES

Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the Board shall from time to time approve. Any share certificate shall be signed in accordance with the Act; provided that, unless the Board otherwise determines, certificates representing shares in respect of which a transfer agent or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent or registrar the signature of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature

it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.8 REPLACEMENT OF SHARE CERTIFICATES

The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding three (\$3.00) dollars and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.9 JOINT SHAREHOLDERS

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share. Joint shareholders may collectively designate in writing an address as their recorded address for service of notice and payment of dividends but in default of such designations the address of the first named joint shareholder shall be deemed to be the recorded address aforesaid.

8.10 DECEASED SHAREHOLDERS

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION 9 DIVIDENDS AND RIGHTS

9.1 DIVIDENDS

Subject to the provisions of the Act, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.2 DIVIDEND CHEQUES

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.3 NON-RECEIPT OF CHEQUES

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity,

reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.4 RECORD DATE FOR DIVIDENDS AND RIGHTS

The Board may fix in advance a date, preceding by not more than fifty (50) days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, provided that notice of any such record date is given, not less than seven (7) days before such record date, by newspaper advertisement in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

9.5 UNCLAIMED DIVIDENDS

Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 10 MEETINGS OF SHAREHOLDERS

10.1 ANNUAL MEETINGS

The annual meeting of shareholders shall be held at such time in each year and, subject to the Act and to Section 10.4, at such place as the Board, the Chairman of the Board, the President or the Managing Director may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing Directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.2 SPECIAL MEETINGS

The Board, the Chairman of the Board, the President or the Managing Director shall have the power to call a Special Meeting of shareholders at any time.

10.3 SPECIAL BUSINESS

All business transacted at a Special Meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the financial statements, auditors' reports, election of Directors and reappointment of the incumbent auditors, is deemed to be special business.

10.4 PLACE OF MEETINGS

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situated or, if the Board shall so determine, at some other place in Alberta or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Alberta.

10.5 NOTICE OF MEETINGS

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 12.1 not less than twenty-one (21) days nor more than fifty (50) days before the date of the meeting to each Director, to the auditor and to each shareholder who at the close of business on the record date, if any, for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial

statements and auditors' reports, election of Directors and reappointment of the incumbent auditors shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.6 LIST OF SHAREHOLDERS ENTITLED TO NOTICE

For every meeting of shareholders, the Corporation shall, if it has more than fifteen (15) shareholders entitled to vote at a meeting of shareholders, prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to Section 10.7, the shareholders listed shall be those registered or constructively registered pursuant to the Act at the close of business on a day not later than ten (10) days after such record date. If no record date is fixed, the shareholders listed shall be those registered or constructively registered as aforesaid at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.7 RECORD DATE FOR NOTICE

The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given, not less than seven (7) days, before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given, or if no notice is given, the day on which the meeting is held.

10.8 MEETINGS WITHOUT NOTICE

A meeting of shareholders may be held without notice at any time and place permitted by the Act

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and
- (b) if any other person entitled to attend is present or waived notice of or otherwise consents to such meeting being held.

At such meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.9 MEETINGS BY TELEPHONE

A shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by means of such telephone or other communications facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means is deemed to be present at the meeting.

10.10 CHAIRMAN, SECRETARY AND SCRUTINEERS

The Chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: Chairman of the Board, President, Managing Director, or a Vice-President who is a shareholder. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be Chairman. If the Secretary of the Corporation is absent, the Chairman shall appoint some person, who need not be a shareholder, to act as Secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the Chairman with the consent of the meeting.

10.11 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the Directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-Laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

10.12 QUORUM

Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be one (1) person present in person, being a shareholder entitled to vote thereat or a duly appointed proxy for an absent shareholder so entitled and holding or representing by proxy a majority of the outstanding shares of the Corporation entitled to vote at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present within one-half hour of the time appointed for convening of any meeting of shareholders, the shareholders present or represented by proxy may adjourn the meeting to a fixed time and place subject to Section 10.20 but may not transact any other business provided, however, that if no provision for adjournment is made at any such meeting or adjourned meeting at which a quorum is not present, the meeting shall be dissolved. If at the adjourned meeting a quorum is not present within one-half hour of the time appointed for the meeting, the person or persons present being a shareholder entitled to vote thereat or a duly appointed proxy for an absent shareholder so entitled to vote shall be a quorum.

10.13 RIGHT TO VOTE - RECORD DATE FOR VOTING

Subject to the provisions of the Act as to authorized representative of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in Section 10.6, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except, where the Corporation has fixed a record date in respect of such meeting pursuant to Section 10.7, to the extent that such person has transferred any of his shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than ten (10) days before the meeting that his name be included in such list in which event the transferee alone shall be entitled to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.14 PROXIES

Every shareholder entitled to vote at a meeting of shareholders, may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act. An instrument of proxy shall be valid only at the meeting in respect of which it is given or any adjournment thereof.

10.15 TIME FOR DEPOSIT OF PROXIES

The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the Secretary of the Corporation or by the Chairman of the meeting or any adjournment thereof prior to the time of voting.

10.16 JOINT SHAREHOLDERS

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one on the shares jointly held by them and in the absence of agreement between those so voting the person named first in the register shall vote the shares.

10.17 VOTES TO GOVERN

At any meeting of shareholders every question shall, unless otherwise required by the Articles, By-Laws, any Unanimous Shareholder Agreement, or the Act, be determined by the majority of the votes cast on the question. Subject to any Unanimous Shareholder Agreement, in case of an equality of votes either upon a show of hands or upon a poll, no person shall be entitled to a second or casting vote.

10.18 SHOW OF HANDS

Subject to the provisions of the Act any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima fade evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.19 BALLOTS

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.20 ADJOURNMENT

If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting. At any such adjourned meeting no business shall be transacted other than business left unfinished at the meeting from which the adjournment took place.

10.21 RESOLUTION IN WRITING

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a Director or the auditors in accordance with the Act.

10.22 ONLY ONE SHAREHOLDER

Where the Corporation has only one shareholder or only one holder of any class of series of shares, the shareholder present in person or by proxy constitutes a meeting.

10.23 MEETING ON REQUISITION OF SHAREHOLDERS

The holders of not less than five (5%) percent of the issued shares of the 1370) Corporation that carry the right to vote at a meeting sought to be held may requisition the Directors to call a meeting of shareholders for the purposes stated in the requisition. The requisition, which may consist of several documents of like form each signed by one or more shareholders, shall state the business to be transacted at the meeting and shall be sent to each Director and to the registered office of the Corporation.

SECTION 11 DIVISIONS AND DEPARTMENTS

11.1 CREATION AND CONSOLIDATION OF DIVISIONS

The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.2 NAME OF DIVISION

Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation. Any such contract, cheque or documents shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.3 OFFICERS OF DIVISION

From time to time the Board or if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board, or if authorized by the Board, the chief executive officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION 12 NOTICES

12.1 METHOD OF GIVING NOTICE

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the Articles, the By-Laws or otherwise to a shareholder, Director, officer, auditor or member of a committee of Directors shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any shareholder, Director, officer, auditor or member of a committee of Directors in accordance with any information believed by him to be reliable.

12.2 NOTICE TO JOINT SHAREHOLDERS

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all such joint holders but notice given to any one or more of such persons at the recorded address for such joint shareholder shall be sufficient notice to all of them.

12.3 COMPUTATION OF TIME

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event in respect of which the notice is being given shall be included.

12.4 UNDELIVERED NOTICES

If any notice given to a shareholder pursuant to Section 12.1 is returned on three (3) consecutive occasions because he cannot be found or served or is unknown at his recorded address, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new recorded address.

12.5 PROOF OF SERVICE

A certificate of the Secretary or other duly authorized officer of the Corporation in office at the time of the making of the certificate, or of any agent of the Corporation as to the facts in relation to the mailing or delivery or sending of any notice to any shareholder, Director, the auditors, or any officer, or of publication of any notice, shall be conclusive evidence thereof and shall be binding on every shareholder, Director, the auditors, or any officer of the Corporation as the case may be.

12.6 COMISSIONS AND ERRORS

The accidental omission to give any notice to any shareholder, Director, officer, auditor or member of a committee of Directors or the non-receipt of any notice by any such person or any error in any notice affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.7 PERSONS ENTITLED BY DEATH OR OPERATION OF LAW

Every person who by, operation of law, transfer, death of a shareholder or any other means whatsoever, becomes entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title prior to such person's name and address being entered on the securities

register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.8 WAIVER OF NOTICE

Any shareholder (or his duly appointed proxyholder), Director, officer, auditor or member of a committee of Directors may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the 109(6) Act, the regulations thereunder, the Articles, the By-Laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

SECTION 13 CONTINUATION

13.1 CONTINUATION

Upon the continuation of an Alberta company the Board of Directors may require any shareholder of the Alberta company to surrender his share certificate for the purpose of having it cancelled and replaced by new share certificate that complies with Section 45 of the Act.

SCHEDULE “C”
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.

**SCHEDULE “D”
CHANGE OF AUDITORS**

See attached Notice of Change of Auditor, Letter from Former Auditor (Deloitte) and Letter from Successor Auditor (KPMG).



**NOTICE OF CHANGE OF AUDITOR
(National Instrument 51-102)**

TO: Alberta Securities Commission
British Columbia Securities Commission

AND TO: Deloitte LLP
KPMG LLP

Sylogist Ltd. (the “**Corporation**”) hereby gives notice pursuant to National Instrument 51-102 – *Continuous Disclosure Requirements* (“**NI 51-102**”) as follows:

1. Deloitte LLP, Chartered Professional Accountants (“**Deloitte**”), has resigned at the request of the Corporation as the Corporation’s auditor effective as of July 19, 2019.
2. The resignation of Deloitte and the appointment of KPMG LLP, Chartered Professional Accountants, as the Corporation’s auditor have been considered and approved by the Corporation’s Audit Committee and Board of Directors.
3. Deloitte has not expressed any modified opinion on the Corporation’s financial statements for the years ended September 30, 2018 and September 30, 2017 and there had been no audit of the Corporation’s financial statements for any period subsequent to the year ended September 30, 2018.
4. In the opinion of the Corporation, throughout the period Deloitte was the Corporation’s auditor there have been no “reportable events” as defined in section 4.11(1) of NI 51-102.

DATED at Calgary, Alberta this 19 day of July, 2019.

SYLOGIST LTD.

Per: _____


Xavier Shorter
Chief Financial Officer



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10180 - 101 Street
Edmonton AB T5J 4K1
Canada

Tel: 780-421-3611
Fax: 780-421-3782
www.deloitte.ca

July 19, 2019

TO: Alberta Securities Commission
British Columbia Securities Commission

AND TO: KPMG LLP
Sylogist Ltd.

Dear Sirs:

Re: Sylogist Ltd. (the “Corporation”) - Notice of Change of Auditor

As required by subparagraph (5)(a)(ii) of Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor of the Corporation dated July 19, 2019 (the “**Notice**”). Based on our knowledge of such information at this time, we are in agreement with the statements contained in the Notice as they relate to Deloitte LLP, Chartered Professional Accountants.

Yours truly,

/s/ Deloitte LLP

Chartered Professional Accountants



KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary Ab T2P 4B9
Tel (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

To: Alberta Securities Commission
British Columbia Securities Commission

July 19, 2019

Dear Sir/Madam

Re: Notice of Change of Auditors of Sylogist Ltd.

We have read the Notice of Sylogist Ltd. dated July 19, 2019 and are in agreement with the statements contained in such Notice.

Yours very truly,

KPMG LLP

Chartered Professional Accountants