SATO TECHNOLOGIES CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

May 26, 2023

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting of the shareholders (the "**Meeting**") of SATO Technologies Corp. (the "**Corporation**" or "**SATO**") will be held in virtual form only at https://meetnow.global/MJYS6PH starting at **10:00 am (Eastern Time)**, **on June 30, 2023**, for the purposes of:

1. receiving the financial statements of the Corporation for the year ended December 31, 2022 and the report of the auditor thereon;

2. electing directors for the ensuing year;

3. appointing the auditor and authorizing the directors to fix its remuneration;

4. considering and, if deemed advisable, approving, with or without variation, a resolution, the text of which is set out in Schedule "A" to the management information circular of the Corporation dated May 26, 2023 (the "**Circular**"), ratifying and confirming the Corporation's amended and restated stock option plan (the "**Option Plan**"), as further described in the Circular;

5. transacting such other business as may properly be brought before the Meeting.

Registered shareholders and duly appointed proxyholders can participate in the Meeting, vote or submit questions, in real time, so long as they are connected to the internet and meet the conditions set out in the accompanying management information circular. Non-registered owners who have not appointed themselves as proxyholders may attend the Meeting as guests, but guests will not be allowed to vote at the Meeting or submit questions. If you are unable to attend the Meeting, please complete, date, and sign the enclosed form of proxy and return it in the envelope provided for that purpose. Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting. **Your Shares will be voted in accordance with your instructions as indicated on the form of proxy or, if no instructions are given on the form of proxy, the proxy holder will vote "IN FAVOUR" of each of the matters indicated above.** Please refer to the accompanying Management Information Circular for additional details on how to log on to the Meeting.

Regardless of whether or not shareholders are able to attend the Meeting (or any adjournment thereof) via the live webcast, shareholders are strongly encouraged to complete, date, sign and return the form of proxy or voting instruction form, as applicable, in accordance with the instructions set out on such form and in the accompanying Management Information Circular, or alternatively to vote over the Internet or by telephone, at their discretion, in accordance with the instructions provided on such form and in the Management Information Circular.

In order to be valid for use at the Meeting, proxies must be received no later than 10:00am (Eastern Time) on June 28, 2023 (or, if the Meeting is adjourned or postponed, by 10:00am (Eastern Time) two (2) business days before the day on which the Meeting is reconvened).

Toronto, Ontario May 26, 2023

By order of the Board of Directors

(s)Alasdair Federico
Mr. Alasdair Federico
Corporate secretary

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SATO TECHNOLOGIES CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies from registered owners of common shares (the "**Shares**") of SATO Technologies Corp. (the "**Corporation**", "**SATO**", "**we**," "**our**" and "**us**," as the context requires) (and of voting instructions in the case of non-registered owners of Shares) to be used at the annual and special meeting of shareholders of the Corporation (the "**Shareholders**") to be held on June 30, 2023 at 10:00am (Eastern Time) and at all adjournments, thereof (the "**Meeting**"). Registered Shareholders (as defined in this Circular) and duly appointed proxyholders can attend the meeting online at https://meetnow.global/MJYS6PH where they can participate, vote, or submit questions during the meeting's live webcast. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited in writing or on the phone by our employees. **The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of our management.** The total cost of the solicitation of proxies will be borne by us.

The Corporation shall send the proxy documents to the non-objecting beneficial owners of Shares. The Corporation does not intend to pay for intermediaries to deliver the proxy documents to objecting beneficial owners of Shares. Objecting beneficial owners of Shares will not receive the proxy documents unless the objecting beneficial owner's intermediary assumes the cost of delivery. Accordingly, if you are a non-registered owner, and the Corporation or its agent has sent the proxy documents 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 your securities on your behalf. By choosing to send the proxy documents to you directly, the Corporation (and not the intermediary holding your securities on your behalf) has assumed responsibility for (i) delivering the proxy documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form.

The information contained in this Circular is given as at May 26, 2023, except where otherwise noted.

Shareholders and duly appointed proxyholders can attend the Meeting online by going to https://meetnow.global/MJYS6PH**.**

Registered Owners

Shareholders whose name appears on the registry of shareholders maintained by Computershare Investor Services Inc. ("**Computershare**"), the Corporation's transfer agent (the "**Registered Shareholders**") and duly appointed proxyholders can participate in the meeting by clicking "Shareholder" and entering a Control Number or clicking "Invitation" and entering an Invite Code before the start of the Meeting.

- Registered Shareholders - The 15-digit control number is located on the form of proxy or in the email notification you received.

- Duly appointed proxyholders – Computershare will provide the proxyholder with an Invite Code after the voting deadline has passed.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Owners (as defined in this Circular under the heading "Non-Registered Owners") who have not appointed themselves may attend the Meeting by clicking "Guest" and completing the online form, but will not be able to vote or submit questions.

It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the online Meeting. Registered Shareholders who wish to submit a proxy may choose one of the following methods:

(a) log onto the internet website of Computershare at www.investorvote.com. Registered shareholders must follow the instructions given on Computershare's website and refer to the enclosed proxy form for the holder's account number and the proxy access number; or

(b) complete, date and sign the proxy form and return it to Computershare, by fax within North America to 1-866-249-7775, by fax outside North America to 416-263-9524, by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, or by hand delivery to the 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9; or

(c) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the proxy form for the toll free number, the holder's account number and the access number.

Registered Shareholders must ensure the proxy form is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof. Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit https://www.computershare.com/SATO by June 28, 2023, at 10:00am (Eastern Time) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.

Participating at the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00am (Eastern Time) on June 30, 2023.

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who received an Invite Code by email from Computershare (see details under the heading "Appointment of Proxies"), will be able to vote and submit questions during the Meeting. To do so, please go to https://meetnow.global/MJYS6PH prior to the start of the Meeting to login, click on "Shareholder" and enter your 15-digit control number, or click on "Invitation" and enter your Invite Code. Non-Registered Owners who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on "Guest" and completing the online form.

- Non-Registered Owners who wish to attend the Meeting and who do not have a 15-digit control number will only be able to attend as a guest, which allows them to listen to the Meeting, however, they will not be able to vote or submit questions. Please see the information under the heading "Non-Registered Owners" for an explanation of why certain Shareholders may not receive a proxy form.

  Should a Non-Registered Owner wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Owner), the Non-Registered Owner should strike out the names of the persons named in the proxy/voting instruction form, as applicable, and insert the Non-Registered Owner's or such other person's name in the blank space provided. In either case, Non-Registered Owners should carefully follow the instructions of their intermediary, including those regarding when and where the voting instruction form is to be delivered.

- Registering the proxyholder is an additional step once a Non-Registered Owner has submitted their proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting. **To register a proxyholder, Non-Registered Owners MUST visit https://www.computershare.com/SATO by June 28, 2023 at 10:00am (Eastern Time) and provide Computershare with their proxyholder's contact information so that Computershare may provide the proxyholder with a Username via email.**

- United States Non-Registered holders: To attend and vote at the virtual Meeting, United States Non-Registered holders must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting (see details under the heading "Appointment of Proxies"). They must follow the instructions from their broker or bank included with the Meeting Materials, or contact their broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from the broker, bank or other agent, to then register to attend the Meeting, United States Non-Registered holders must submit a copy of their legal proxy to Computershare. Requests for registration should be directed to:

  Computershare
  100 University Avenue
  8th Floor
  Toronto, Ontario
  M5J 2Y1

  OR

  Email at USLegalProxy@computershare.com

  Requests for registration must be labeled as "Legal Proxy" and be received no later than June 28, 2023 by 10:00am (Eastern Time). United States Beneficial holders will receive a confirmation of their registration by email after the Corporation receives their registration materials. United States Beneficial holders may attend the Meeting and vote their shares at https://meetnow.global/MJYS6PH during the Meeting. Please note that United States Non-Registered holders are required to register their appointment at **https://www.computershare.com/SATO**.

- If Shareholders are using a 15-digit control number to login to the online Meeting and accept the terms and conditions, they will be provided the opportunity to vote by online ballot at the appropriate time on the matters put forth at the Meeting. If Shareholders have already voted by proxy and vote again during the online ballot during the Meeting, such Shareholders' online vote during the Meeting will revoke their previously submitted proxies. If Shareholders have already voted by proxy and do not wish to revoke their previously submitted proxy, they must NOT vote again during the online ballot.

- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Voting at the Meeting

A Registered Shareholder, or a Non-Registered Owner who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of Shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at https://meetnow.global/MJYS6PH prior to the start of the Meeting. In order to vote, Non-Registered Owners who appoint themselves as a proxyholder MUST register with Computershare at **https://www.computershare.com/SATO** after submitting their voting instruction form in order to receive an Invite Code (please see the information under the heading "Appointment of Proxies" below for details) by June 28, 2023 at 10:00am (Eastern Time).

Appointment of Proxies

If you do not wish to attend the Meeting, you should complete and return the enclosed proxy form. The individuals named in the proxy form are representatives of our management and are directors and officers of the Corporation. **You have the right to appoint someone else to represent you at the Meeting.** If you wish to appoint someone else to represent you at the Meeting, insert that other person's name in the blank space in the proxy form. The person you appoint to represent you at the Meeting need not be a shareholder of the Corporation. To be valid, proxies must be deposited with the Corporation either online at www.investorvote.com or by using the return envelope provided not later than 10:00am (Eastern Time) on June 28, 2023 or, if the Meeting is adjourned, 48 hours, (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their proxy form or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit **https://www.computershare.com/SATO** by 10:00am (Eastern Time) on June 28, 2023, and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.

Without an Invite Code, proxyholders will not be able to vote at the online Meeting.

Revocation

If you have submitted a proxy and later wish to revoke it you can do so by:

(a) completing and signing a form of proxy bearing a later date and depositing it with Computershare Investor Services Inc. as described above;

(b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at our registered office at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6 at any time up to the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) with the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting;

(c) electronically transmitting your revocation in a manner permitted by law, provided that the revocation is received: (i) at our registered office at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) by the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting; or

(d) following any other procedure that is permitted by law.

If Shareholders are using a 15-digit control number to login to the online Meeting and accept the terms and conditions, they will be provided the opportunity to vote by online ballot at the appropriate time on the matters put forth at the Meeting. If Shareholders have already voted by proxy and vote again during the online ballot during the Meeting, such Shareholders' online vote during the Meeting will revoke their previously submitted proxies. If Shareholders have already voted by proxy and do not wish to revoke their previously submitted proxy, they must NOT vote again during the online ballot.

Voting of Proxies

In connection with any ballot that may be called for, the management representatives designated in the enclosed proxy form, or any other person you may have appointed, will vote or withhold from voting your Shares in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted

upon, the Shares will be voted accordingly. **In the absence of any direction, your Shares will be voted by the management representatives IN FAVOUR of the election of each director, IN FAVOUR of the appointment of the auditor, and IN FAVOUR of the resolution ratifying and confirming the amended and restated stock option plan.**

The management representatives designated in the proxy form have discretionary authority with respect to amendments to or variations of matters identified in the accompanying notice of meeting and with respect to other matters that may properly come before the Meeting. At the date of this Circular, our management knows of no such amendments, variations or other matters.

Non-Registered Owners

If your Shares are registered in the name of a depository (such as The Canadian Depository for Securities Limited) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan), you are a "**Non-Registered Owner**". There are two kinds of Non-Registered Owners: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "**OBOs**"; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or "**NOBOs**".

Only registered owners of Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. If you are a Non-Registered Owner, you are entitled to direct how the Shares beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at the Meeting.

In accordance with Canadian securities law, the Corporation has distributed copies of the notice of meeting and this Circular (collectively, the "**Meeting Materials**") to intermediaries for onward distribution to Non-Registered Owners who have not waived their right to receive them. Typically, intermediaries will use a service company to forward the Meeting Materials to non-registered owners.

If you are a Non-Registered Owner and have not waived your right to receive Meeting Materials, you will receive either a request for voting instructions or a form of proxy with your Meeting Materials. The purpose of these documents is to permit you to direct the voting of the Shares you beneficially own. You should follow the procedures set out below, depending on which type of document you receive.

Intermediaries are required to forward the Meeting Materials to Non-Registered Owners unless a Non-Registered Owner has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Owners. Generally, Non-Registered Owners who have not waived the right to receive Meeting Materials will either:

(a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Owner and returned to the intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the intermediary must follow; or

(b) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Owner but which is otherwise not completed by the intermediary. Because the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Owner when submitting the proxy. In this case, the Non-Registered Owner who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Owners to direct the voting of the Shares they beneficially own. Should a Non-Registered Owner who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Owner), the Non-Registered Owner should strike out the names of the persons named in the voting instruction form or form of proxy, as applicable, and insert the Non-Registered Owner's or such other person's name

in the blank space provided. **In either case, Non-Registered Owners should carefully follow the instructions of their intermediary, including those regarding when and where the voting instruction form is to be delivered.**

In all cases, Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit **https://www.computershare.com/SATO** by June 28, 2023 at 10:00am (Eastern Time). and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.

Without a Username, proxyholders will not be able to vote at the online Meeting.

GENERAL MATTERS

References in this Circular to "dollars", "C$" or "$" are to Canadian dollars. United States dollars are indicated by the symbol "US$".

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an executive officer of the Corporation nor any proposed nominee for election as a director of the Corporation at any time since the beginning of its last completed financial year, or any associate of any such director, officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of May 26, 2023, the Corporation had 72,585,465 Shares issued and outstanding, being the only class of securities of the Corporation entitled to be voted at the Meeting. Each holder of Shares of record at the close of business on May 26, 2023, the record date established for notice of the Meeting, will be entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Share held.

As at May 26, 2023, to the knowledge of our directors and officers, the following person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting shares of the Corporation.

Name	Number of shares held	Percentage
Mathieu Nouzareth	8,326,710	11.47%
Romain Nouzareth	11,079,552	15.26%
True Global Ventures 4 Plus Fund Pte Ltd	9,255,003	12.75%

PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of the Corporation, for the year ended December 31, 2022 and the auditor's report thereon, will be presented to the Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken. The financial statements are available on the Corporation's website at https://corp.bysato.com/financials or under the Corporation's profile on SEDAR (www.sedar.com).

ELECTION OF DIRECTORS

Director Nominees

The articles of the Corporation provide that the Board of Directors of the Corporation (the "**Board**") shall consist of a minimum of three directors and a maximum of ten directors. Currently, the number of directors has been set at five.

The following table and the notes thereto state the names and places of residence of all persons proposed to be nominated for election as directors of the Corporation, the positions they hold with the Corporation, their principal occupations or employments during the past five years, the year such persons began to serve as directors of the Corporation and the number of Shares beneficially owned or over which control or direction is exercised by each of them as at May 26, 2023. Each director will hold office until the next annual meeting of shareholders or until his or her successor is duly elected, unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause. Upon successful election of all director nominees at the Meeting, it is expected that each member of the committees of the Board as noted below will continue in their respective roles after the Meeting.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the election of each of the five nominees whose names are set forth hereafter.

Name, Province of State and Country of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since	Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly[(4)]
Frank Di Tomaso[(1)(2)(3)] Quebec, Canada	Director	Fellow Chartered Professional Accountant and Corporate Director	September 7, 2021	500,000
Mathieu Nouzareth Vesseaux, France	Director	Chief Business Officer of Bacasable Global Limited (d/b/a The Sandbox); CEO of FreshPlanet Inc	September 7, 2021[(5)]	8,326,710
Romain Nouzareth New York, United States	Director, Chief Executive Officer, Chairman	Chief Executive Officer of the Corporation; previously CEO of Canada Computational Unlimited Inc.	September 7, 2021[(5)]	11,079,552
Dominique Payette[(1)(2)(3)] Québec, Canada	Director	Senior Privacy Counsel of Royal Bank; previously Legal counsel at the National Bank of Canada	September 7, 2021	Nil
Frederick T. Pye[(1)(2)(3)] Québec, Canada	Director	President and Chief Executive Officer of 3iQ Corp (since September 2012); Co-founder and Director of Stablecorp Inc. (since June 2019)	September 7, 2021	500,000[(6)]

(1) Member of the Compensation Committee.
(2) Member of the Corporate Governance and ESG Committee.
(3) Member of the Audit Committee.
(4) The information as to the number of Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been furnished by each director individually as of May 26, 2023.
(5) Mathieu Nouzareth and Romain Nouzareth have been directors of Canada Computation Unlimited Inc. ("CCU Inc."), a subsidiary of the Corporation, since November 2017.
(6) Shares held through Frederick T. Pye and Associates Inc., a corporation controlled by Frederick Pye.

As at May 26, 2023, as a group, the Corporation's directors and executive officers beneficially owned, directly or indirectly, or exercised control over an aggregate of 20,406,262 Shares of the Corporation representing 28.11% of the outstanding Shares.

Biographies

Frank Di Tomaso, FCPA, FCA, ICD.D, Director

Frank Di Tomaso, FCPA, ICD.D is a Fellow Chartered Professional Accountant and holds the designation of ICD.D from the Institute of Corporate Directors. He is a Corporate Director and was a Partner and Advisory Partner at Raymond Chabot Grant Thornton LLP, which he joined in 1981, and held the position of Managing Partner Audit – Public Companies until his departure in 2013. He is also a Director of Birks Group Inc., as well as the Laurentian Pilotage Authority. He is engaged both in the business and the social community and is a member of many business associations, not-for-profit organizations, and charitable organizations. In that regard, he received the Award of Distinction from the John Molson School of Business – Concordia University in 2004 in recognition of his outstanding contribution to the World of Business and the community. He was also Director of Professional Inspection of the Ordre des CPA du Québec, the first person to hold this position in Canada.

Mathieu Nouzareth, Director

Mathieu Nouzareth is the Chief Business Officer of Bacasable Global Limited, which operates as The Sandbox, and is the Chief Executive Officer of FreshPlanet Inc. He is a serial entrepreneur with extensive experience in start-up creation, growth initiatives, user acquisition, sales, mobile and web development, and digital assets. Over the last 25 years, he has co-founded five companies, three of which were sold, with one going public.

Romain Nouzareth, CEO and Chairman

Romain Nouzareth is a seasoned tech entrepreneur who co-founded SATO and its subsidiary, Canada Computational Unlimited Inc., and has acted as its chief executive officer since its inception in 2017. He co-founded, with his brother Mathieu, Web Concept, one of the first web agencies in France, which was sold to Icon Medialab in 1999. Mr. Nouzareth subsequently co-founded Boonty, a digital distribution platform, which was sold in 2007 to NexWay SA, while a spin off, known as IsCool Entertainment, developed one of the first viral games on Facebook and was listed on the NYSE Euronext before being sold to Hachette of Lagardère Publishing in 2018. Mr. Nouzareth co-founded FreshPlanet Inc., a game studio based in New York, USA, and founded eWRLD Corp., a studio building products for messenger apps, the Facebook Instant Games platform, and for iOS and Android App Stores.

Dominique Payette, Director

Dominique Payette, LL.B. J.D., LL.M., is a technology and A.I. lawyer. For 8 years, she has researched and advised different entities on the responsible and ethical deployment of A.I. and other finance technologies such as cryptocurrency. She has been a proactive advocate of the importance of finance technology ethics in the finance industry and Canadian community at large. She has recently joined Royal Bank of Canada as their Senior Privacy Counsel. Previously, Dominique was a technology and privacy in-house counsel at National Bank, where she advised and led the responsible A.I. initiatives. She is a published author and public speaker on the topics of robo-advisers, A.I. fairness and governance, and digital currency. Dominique holds a Masters of Law (LL.M.) from Université de Montréal, and also sits on the board of a non-profit entity that leverages A.I and other technologies to create a circular economy around fishing ghost gear. She is very passionate about environmental action and climate change, and has a developing expertise in corporate environmental ethics, namely with respect to ESG disclosures.

Frederick T. Pye, Director

Frederick T. Pye has been the President and Chief Executive Officer of 3iQ Corp., a leading Canadian digital asset fund manager, since July 2012. Mr. Pye has managed private client portfolios with Landry Investment Management and various other investment dealers. Previously, he was Founder, President, and Chief Executive Officer of Argentum Management and Research Corporation, a company dedicated to managing and distributing quantitative investment portfolios, including the first long-short mutual fund in Canada. He was also Senior Vice-President and National Sales Manager at Fidelity Investments Canada. Mr. Pye also held various positions with Guardian Trust Company, which listed the first gold, silver, and platinum certificates on the Montréal Exchange. He holds a Master's Degree in Business Administration from Concordia University.

Shareholding, Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the proposed directors of the Corporation is, as of the date hereof, or within 10 years before the date hereof, has been:

(a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(i) was subject to an order 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 an order 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;

(b) a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person 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 become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of (a) above, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation, none of the proposed directors of the Corporation has been subject to:

(a) 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 a securities regulatory authority; or

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

APPOINTMENT OF AUDITOR

At the Meeting, the Shareholders will be asked to approve a resolution to appoint the auditor of the Corporation until the close of the next annual meeting of the Shareholders. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants has been SATO's auditor since September 7, 2021. The Board, upon the advice of the Audit Committee, recommends that Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants of Montréal, Québec, be appointed as auditor of the Corporation. The appointment of Raymond Chabot Grant Thornton LLP must be approved by a majority of the votes cast on the matter at the Meeting.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of retaining Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants of Montréal, Québec, as auditor of the Corporation to hold office until the next annual meeting of the Shareholders and to authorize the directors of the Corporation to determine the auditor's remuneration.

RATIFICATION AND CONFIRMATION OF THE CORPORATION'S STOCK OPTION PLAN

During the Meeting, the Shareholders will be invited to consider and, if deemed advisable, to adopt, with or without amendment, a resolution (the "**Option Plan Resolution**"), the text of which is set out in Schedule "A" to the Circular, to ratify and confirm the amended and restated option plan of the Corporation (the "**Option Plan**").

In accordance with the Option Plan, the Corporation may grant stock options to purchase a maximum number of the Corporation's Shares corresponding to 10% of the number of outstanding Shares from time to time. The number of Shares which can be reserved in accordance with the Option Plan automatically increases or decreases according to the increase or decrease of the number of the Corporation's Shares issued and outstanding. It is therefore considered a rolling stock option plan.

According to the policies of the TSX-V, the Option Plan, because it qualifies as a rolling stock option plan, must be approved by the Shareholders of the Corporation every year during its annual general meeting and is also subject to the approval of the TSX-V. For a summary of the principal terms of the Option Plan, please refer to section "Option Plan" of this Circular.

For informative purposes, as of the date of this Circular, 10% of the outstanding Shares of the capital of the Corporation is 7,258,546.

To be validly adopted, the Option Plan Resolution, the text of which is set out in Schedule "A" to the Circular, must be adopted by a simple majority of the votes cast by the Shareholders present or represented by proxyholder at the Meeting. The text of the Option Plan is set out in Schedule "B" to the Circular.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the Option Plan Resolution.

EXECUTIVE COMPENSATION

For the purpose of this Circular:

"**CEO**" means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year; and

"**NEO**" means: (a) a CEO; (b) a CFO; (c) the Corporation's most highly compensated executive officer, including any of the Corporation's subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and (d) each individual who would be a NEO 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.

During the year ended December 31, 2022, the Corporation had three NEOs, namely Romain Nouzareth, the CEO of the Corporation, Kyle Appleby, the CFO of the Corporation, and Fanny Philip, the COO.

Basis of Presentation

SATO Technologies Corp. was incorporated pursuant to the provisions of the OBCA on May 7, 2008, under the name "Capricorn Business Acquisitions Inc.". The Corporation completed its initial public offering on February 26, 2010, and was listed on the TSX-V as a capital pool Corporation ("**CPC**") on March 9, 2010. Pursuant to the policies of the TSX-V regarding CPCs, the shares of Capricorn were suspended from trading and listed on the NEX tier of the TSX-V from March 12, 2012 until the Corporation completed its Qualifying Transaction on September 7, 2021. On September 7, 2021 upon completion of the Qualifying Transaction, the Corporation changed its name and completed

a consolidation of its share capital on a basis of one post-consolidation Common Share for every 2.7 common shares outstanding immediately before the consolidation. The Common Shares were listed for trading on the TSX-V under the symbol "SATO" on September 16, 2021.

Prior to the completion of the Qualifying Transaction, the Corporation did not own any assets other than cash and had not conducted any active business operations. Since its incorporation and prior to the Qualifying Transaction, the principal activities of the Corporation consisted of the financing through its initial public offering.

Prior to the completion of the Qualifying Transaction, due to Capricorn's status as a CPC, the Corporation did not pay any compensation to its officers and directors. As the Qualifying Transaction was a reverse takeover of the Corporation, the resulting issuer is a continuation of the business of CCU Inc. (prior to the Qualifying Transaction). Accordingly, this Statement of Executive Compensation includes disclosures relating to the executive compensation paid by CCU Inc. before and after the completion of the Qualifying Transaction.

Certain share options presented in this Statement of Executive Compensation were initially granted in respect of the shares of CCU Inc. prior to the completion of the Qualifying Transaction, at which time such share purchase options were rendered exercisable in respect of the shares of the Corporation. Accordingly, in this Statement of Executive Compensation, the disclosures relating to the value of unexercised in-the-money options and the value vested or earned have been presented only for the period after the completion of the Qualifying Transaction when relevant market data was available for underlying calculations.

Compensation Discussion and Analysis

Interpretation

The NEO's who are the subject of this Compensation Discussion and Analysis are Romain Nouzareth (CEO), Kyle Appleby (CFO) and Fanny Philip (COO). No other individuals fall within the NEO definition during the applicable reporting periods.

Compensation Program Objectives

The Corporation has established a compensation committee (the "**Compensation Committee"**) consisting of Frederic T. Pye (Chair), Dominique Payette and Frank Di Tomaso. Mr. Pye, Ms. Payette and Mr. Tomaso are all independent directors. The Compensation Committee has been mandated to oversee the remuneration policies and practices of the Corporation, establish, review and report on compensation of SATO's executive officers, including those whose compensation is set forth under the heading "Summary of Compensation Table" below, and administer equity-based and certain other compensation.

The Corporation's policy regarding executive compensation has the following objectives:

- to ensure that policies regarding compensation are aligned with the Corporation's business objectives;
- to provide levels of total compensation sufficient to attract and retain effective employees; and
- to ensure that management executives' interests are consistent with the objectives of the Board and the Corporation's shareholders.

Elements of the Compensation Program

The compensation package for the executive officers of the Corporation is principally composed of the following elements:

- fixed annual compensation and benefits;

- an incentive program that currently takes the form of discretionary bonuses linked to the Corporation's financial and operating performance and other initiatives that enhance the intrinsic value of the Corporation; and

- long-term incentive programs, currently consisting of the Option Plan, as described below.

Purpose of Each Element of the Executive Compensation Program

The fixed annual compensation and benefits of a NEO are intended to provide income certainty and to attract and retain executives, and is therefore based on the assessment of a number of factors such as current competitive market conditions, compensation levels within similarly situated companies to the Corporation and factors particular to the executive, including individual performance, the scope of the executive's role with the Corporation and retention considerations. The Compensation Committee considers available market data for companies in comparable industries and of a similar size, although a specific benchmark is not targeted and a formal peer group has not been established.

In addition to the fixed annual compensation, the Corporation may award executives with short term incentive awards in the form of an annual bonus. Annual bonuses are intended to provide short-term incentives to executives and to reward them for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The amount is not pre-established and is at the discretion of the directors of the Corporation. While there is no target amount for annual bonuses, other than as may be set out in an executive's employment or consulting agreement, the directors of the Corporation review similar factors as those discussed above in relation to base salary.

Long-term incentive compensation may be provided through the granting of stock options under the Option Plan. The Corporation has no equity incentive plans other than the Option Plan. The size of stock option awards to Named Executive Officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such officer's long-term contribution to the Corporation will be crucial to its long-term success. Previous awards are taken into account when considering new awards. The Option Plan is summarized below, and the full text of the Option Plan is attached hereto as Schedule A.

Named Executive Officers and directors are not prevented 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 Named Executive Officer or director.

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 Board noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's business strategy and related compensation philosophy; and

- the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

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

Option Plan

A number of Common Shares equal to 10% of the issued and outstanding Shares from time to time are reserved for the issuance of stock options pursuant to the Corporation's Option Plan.

To date, option grants to NEOs have been made on the basis of the number of options currently held, position, overall individual performance, anticipated contribution to the Corporation's future success and the individual's ability to influence corporate and business performance. The purpose of granting such options has been to assist the Corporation in compensating, attracting, retaining and motivating the officers, directors and employees of the Corporation and to closely align the personal interests of such persons to the interest of the shareholders.

The recipients of incentive stock options and the terms of the options granted have been determined from time to time with the oversight and approval of the Board. The exercise price of the options granted has been determined by the market price at the time of grant.

Share Based and Non-Equity Incentive Plan Compensation

The Corporation has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its NEOs or directors of the Corporation.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The compensation paid to the NEOs and directors during the Corporation's two most recently completed financial years ended December 31, 2022 and 2021, excluding compensation securities, is as set out in the following table and expressed in Canadian dollars unless otherwise noted.

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation
Romain Nouzareth, *Chairman, CEO and Director*[1]	2022 2021	$324,790 $250,763	$203,160 $190,410	- -	- -	- -	$527,950[6] $441,173
Kyle Appleby *CFO*[2]	2022 2021	$36,000 $22,500	- -	- -	- -	- -	$36,000[7] $22,500
Fanny Philip *COO*[3]	2022 2021	$300,000 $170,000	$203,160 $190,410	- -	- -	- -	$503,160[8] $360,410
Frank Di Tomaso[4] *Director*	2022 2021	$30,000 $10,000	- -	$10,000 $3,333	- -	- -	$40,000 [9] $13,333
Mathieu Nouzareth *Director*[5]	2022 2021	$43,281 $90,298	- -	- -	- -	- -	$43,281[9] $90,298
Dominique Payette[4] *Director*	2022 2021	$30,000 $10,000	- -	$10,000 $3,333	- -	- -	$40,000[9] $13,333
Frederick T. Pye[4] *Director*	2022 2021	$30,000 $10,000	- -	$10,000 $3,333	- -	- -	$40,000[9] $13,333

Notes:

(1) Romain Nouzareth receives compensation as part of his executive compensation but does not receive any compensation for his role as director.
(2) Mr. Appleby was appointed as CFO on September 7, 2021. Mr. Appleby receives his compensation via his consulting company, CFO Advantage Inc.
(3) Ms. Philip was appointed COO effective on January 1, 2022, prior to which she served as VP Finance. Ms. Philip receives her compensation via her consulting company, MTI Conseils Inc.
(4) Joined the Board on September 7, 2021 in connection with the Qualifying Transaction.
(5) Mathieu Nouzareth receives compensation for sitting on the board in accordance with the compensation structure adopted by the board, and received consulting fees for work performed up until the end of the first quarter of 2022.
(6) In 2022, to meet the Corporation's cash management needs, the Corporation and Mr. Nouzareth agreed that a portion of his compensation would accrue but not be paid in the year. Of his total compensation, $298,365 was remaining to be paid at year end.
(7) In 2022, to meet the Corporation's cash management needs, the Corporation and Mr. Appleby agreed that a portion of his compensation would accrue but not be paid in the year. Of his total compensation, $9,000 was remaining to be paid at year end.
(8) In 2022, to meet the Corporation's cash management needs, the Corporation and Ms. Philip agreed that a portion of her compensation would accrue but not be paid in the year. Of her total compensation, $298,365 was remaining to be paid at year end.
(9) In 2022, to meet the Corporation's cash management needs, the Corporation and the directors agreed that a portion of their compensation would accrue but not be paid in the year. Of their total compensation, $112,500 was remaining to be paid to the non-executive directors at year end.

In the year ended December 31, 2022, each non-executive director was entitled to receive an annual fee of $30,000, plus an additional $5,000 if such director served on at least one committee of the Board or $10,000 if such director served as Chair of one of the Board's committees. Subsequent to year end the Board determined as part of its efforts to ensure it is attracting and retaining quality candidates, that it would be appropriate to pay annual Board fees in US dollars, and set the annual fees at US$30,000, plus an additional US$5,000 for serving on at least one committee or US$10,000 is serving as Chair of at least one committee. Board members are also entitled to participate in the Corporation's Option Plan, but do not participate in any other benefit plans.

Stock Options and Other Compensation Securities

The following table sets forth information in respect of all compensation securities granted or issued to each director and NEO by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Corporation or its subsidiaries in the Corporation's most recently completed financial year ended December 31, 2022.

Compensation Securities							
Name and position	**Type of compensation security**	**(a)Number of compensation securities, (b)number of underlying securities and (c)percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price**	**Closing price of security or underlying security on date of grant**	**Closing price of security or underlying security at year end**	**Expiry date**
Romain Nouzareth,[1] *Chairman, CEO and Director*	Options	(a) 1,415,644 (b) 1,415,644 (c) 2%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Kyle Appleby[2] *CFO*	Options	(a) 22,727 (b) 22,727 (c) 0.03%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Fanny Philip[3] *COO*	Options	(a) 1,100,240 (b) 1,100,240 (c) 1.55%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Frank Di Tomaso[4] *Director*	Options	(a) 96,600 (b) 96,600 (c) 0.14%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Mathieu Nouzareth[5] *Director*	Options	(a) 732,851 (b) 732,851 (c) 1.04%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Dominique Payette[6] *Director*	Options	(a) 96,600 (b) 96,600 (c) 0.14%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027
Frederick T. Pye[7] *Director*	Options	(a) 96,600 (b) 96,600 (c) 0.14%	March 18, 2022	$0.64	$0.60	$0.12	March 18, 2027

1. As of the Record Date Roman Nouzareth held 1,680,644 stock options.
2. As of the Record Date Kyle Appleby held 22,727 stock options.
3. As of the Record Date Fanny Philip held 1,677,221 stock options.
4. As of the Record Date Frank Di Tomaso held 126,600 stock options.
5. As of the Record Date Mathieu Nouzareth held 762,851 stock options.
6. As of the Record Date Dominique Payette held 126,600 stock options.
7. As of the Record Date Frederick T. Pye held 126,600 stock options.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised compensation securities during the Corporation's most recently completed financial year ended December 31, 2022.

Executive Contracts

Except as otherwise disclosed herein, SATO has not entered into management contracts with any director, officer, employee or consultant. Except as disclosed herein, no management function of SATO or its subsidiaries are performed by a person other than a director or senior officer of SATO. Except as outlined below, there are no compensatory plan(s) or arrangement(s) with respect to any NEO resulting from the resignation, retirement, or any other termination of an officer's employment or from a change of NEO's responsibilities following a change in control.

Pursuant to an informal management consulting agreement, Romain Nouzareth, the President and Chief Executive Officer of the Corporation, was entitled to receive fixed annual compensation of $300,000 in the year ended December 31, 2022. Following year end, the Board awarded a merit-based increase of 10% to the fixed compensation payable to Mr. Nouzareth. Mr. Nouzareth may participate in the Corporation's benefit plans. Mr. Nouzareth is eligible to receive a performance-based incentive, the award, amount and timing of which are at the full discretion of the board. Mr. Nouzareth is entitled to participate in the Option Plan. Mr. Nouzareth's management consulting agreement may be terminated on written notice by either party. Mr. Nouzareth is not entitled to any payment upon termination of the management consulting contract.

Pursuant to a management consulting agreement with CFO Advantage Inc., for the year ended December 31, 2022, the Corporation paid annual fees of $36,000 for the services of Kyle Appleby, the Chief Financial Officer of the Corporation, to whom 100% of such fees were allocated. Mr. Appleby does not participate in the Corporation's benefit plans. Mr. Appleby is not eligible to receive any performance-based incentives. Mr. Appleby is entitled to participate in the Option Plan. Mr. Appleby's management consulting agreement may be terminated on one month's written notice by either party. Mr. Appleby is not entitled to any payment upon termination of the management consulting contract.

Pursuant to a management consulting agreement with MTI Conseils Inc., for the year ended December 31, 2022, the Corporation paid annual fees of $300,000 for the services of Fanny Philip, the Chief Operating Officer of the Corporation, to whom 100% of such fees were allocated. Following year end, the Board awarded a merit-based increase of 10% to the fixed compensation payable for the services of Ms. Philip. Ms. Philip may participate in the Corporation's benefit plans. Ms. Philip is eligible to receive a performance-based incentive, the award, amount and timing of which are at the full discretion of the board. Ms. Philip is entitled to participate in the Option Plan. Ms. Philip's management consulting agreement may be terminated on written notice by either party. Ms. Philip is not entitled to any payment upon termination of the management consulting contract.

No management functions of SATO are to any substantial degree performed by a person other than the directors or senior officers of SATO.

STATEMENT OF CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Instrument 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

NI 58-101 suggests that the board of directors of a public corporation should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could materially interfere or reasonably be perceived to interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. In addition, where a corporation has a significant

shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the Corporation or the significant shareholder.

Romain Nouzareth, Chief Executive Officer, has been determined not to be independent by virtue of his position as an executive officer of the Corporation, and Mathieu Nouzareth has been determined to not be independent by virtue of being a sibling of the Chief Executive Officer.

The responsibilities of the Board, as prescribed by the *Business Corporations Act* (Ontario), are to manage or supervise the management of the business and affairs of the Corporation and to appoint officers of the Corporation and, in doing so, each director must act in accordance with a statutory fiduciary duty to act honestly and in good faith with a view to the best interests of the Corporation and a duty to exercise care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In carrying out these responsibilities, the Board oversees the management of the Corporation's affairs directly and through its various committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies, reviewing and approving significant acquisitions; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources. The Board also takes responsibility for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Corporation grows, the Board may determine it is appropriate to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Corporation, the Board is responsible for the integrity of the Corporation's internal control and management information systems and for the Corporation's policies respecting corporate disclosure and communications.

The Board has outlined a skills matrix to assist in evaluating and guiding the composition and ongoing development of the Board, and to aid in the recruiting process for prospective new directors. The Board has identified particular competencies and experience that, in light of the Corporation's current and expected strategic goals should be possessed by one or more members of the Board, but it is not a requirement that all directors have all of the competencies and experience. The following matrix has been developed to help balance the composition of the Board and ensure that the required skills and experience are appropriately represented on the Board. The Corporate Governance and ESG Committee is responsible for reviewing the matrix periodically and updating as required. The matrix is not intended to be an exhaustive list of director qualifications.

Competency/ Experience	Frank Di Tomaso	Mathieu Nouzareth	Romain Nouzareth	Dominique Payette	Frederick T. Pye
Tech Industry		**X**	**X**	**X**	
Digital Asset Industry		**X**	**X**		**X**
Financial Literacy	**X**	**X**	**X**	**X**	**X**
Audit/Financial Reporting	**X**				**X**
Capital Markets	**X**	**X**	**X**		**X**
Risk Management	**X**		**X**	**X**	
ESG			**X**	**X**	
Information Security		**X**	**X**	**X**	
Corporate Governance	**X**	**X**	**X**	**X**	**X**
Compensation Governance	**X**				**X**
Public Company Compliance	**X**		**X**		

Standing Committees of the Board

The Corporation has an Audit Committee, a Compensation Committee, and a Corporate Governance and ESG Committee.

Audit Committee

The Audit Committee is currently comprised of Frank Di Tomaso (Chair), Frederick T. Pye and Dominique Payette. All Audit Committee members are "independent" within the meaning of National Instrument 52-110 – *Audit Committees*. Each Audit Committee member is "financially literate", within the meaning of National Instrument 52-110 – *Audit Committees* and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members. For more information on the Audit Committee, see section "*Audit Committee*" in the Corporation's Annual Information Form.

Compensation Committee

The Compensation Committee is currently comprised of Frederick T. Pye (Chair), Dominique Payette and Frank Di Tomaso. The Compensation Committee oversees the remuneration policies and practices of the Corporation. For more information on the Compensation Committee and the steps taken to determine compensation for the directors and the CEO, see "*Compensation Discussion and Analysis*".

Corporate Governance and ESG Committee

The Corporate Governance and ESG Committee is comprised of Dominique Payette (Chair), Frank Di Tomaso and Frederick T. Pye. The Corporate Governance and ESG Committee is responsible for: (i) monitoring and overseeing the quality and effectiveness of the corporate governance practices and policies of the Corporation; (ii) considering nominees for independent directors of the Corporation; (iii) adopting and implementing corporate communication policies and ensuring the effectiveness and integrity of communication and reporting to the Corporation's shareholders and the public generally; (iv) planning for the succession of directors and executive officers of the Corporation, including appointing, training and monitoring senior management to ensure that the board and management have appropriate skill and experience; and (v) administering the board's relationship with the management.

Other Public Corporation Directorships

The following members of the Board currently hold directorships in other reporting issuers as set forth below:

Name	Name of Reporting Issuer	Exchange	Position
Frederick T. Pye	Tokens.com	NEO	Director
Frank Di Tomaso	Birks Group Inc.	NYSE	Director and Chair of the Audit Committee

Orientation and Continuing Education of Board Members

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues of relevance to the Corporation. In addition, management of the Corporation takes steps to ensure that its directors and officers are regularly updated with respect to its operations, strategic initiatives, and latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole.

Nomination of Directors

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual general meeting of shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

Ethical Business Conduct

The fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, will ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, relevant securities regulatory instruments impose obligations that help to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any director who has a conflict of interest in relation to a matter that comes before the Board will be required to declare the nature and extent of his or her conflict of interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its committees, to satisfy itself that the Board, its committees and its individual directors are performing effectively.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Option Plan as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	5,913,260	$0.60	1,164,962
Equity compensation plans not approved by securityholders	-	-	-
Total	**5,913,260**	**$0.60**	**1,164,962**

Option Plan

The following is a summary of the main provisions of the Option Plan. The text of the Option Plan is set out in Schedule "B" to the Circular.

The purpose of the Option Plan pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Option Plan provides an incentive for and encourages ownership of the Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Shares. The Option Plan is administered by the Board or such committee designated by the Board to administer the Option Plan.

The Option Plan is a rolling stock option plan, where the maximum number of Shares issuable pursuant to such plan may not exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis). Options that expire unexercised or are otherwise cancelled will be returned to the Option Plan and may be made available for future option grant pursuant to the provisions of the Option Plan.

The eligible participants under the Option Plan are directors, officers, employees, and consultants of the Corporation and any subsidiary of the Corporation (referred to as "Participants" under the Option Plan).

Pursuant to the Option Plan, (i) the maximum number of Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Shares at the date of the grant; (ii) the maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Shares at the date of the grant; and (iii) the maximum number of Shares issued or reserved for issuance to insiders of the Corporation in any 12 month period under the Option Plan and any other security-based compensation arrangements may not exceed 10% of the issued and outstanding Shares at the time of grant, unless disinterested shareholder approval is obtained.

Options may be exercisable for a period of up to 10 years, such period to be determined by the Board. In the event of the retirement, voluntary resignation or termination without cause of an optionee, the Options held by that optionee would be exercisable to acquire unissued Shares that have vested at the time of such retirement, resignation or termination until the earlier of (i) the expiry date of the Options; or (ii) 90 days after the optionee ceases active employment or service as a director, officer, employee or consultant or 30 days for any Participant engaged in Investor Relation Activities. Notwithstanding the foregoing, the Board may determine, without any further regulatory or shareholder approval, to extend such 90-day period referenced in item (ii) of the foregoing sentence for Participants (excluding those that are engaged in Investor Relations Activities), provided that in no event may such period exceed 12 months following the effective date of such resignation, retirement or delivery of notice of termination. The Option

Plan provides that in the event of termination for cause, the options held shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause. Upon death of an optionee, the Options held by such optionee may be exercised until the earlier of (i) the expiry date of the Options; or (ii) one year after the optionee's death.

The Option Plan provides for a limited extension for Options expiring during a blackout period. A blackout period is imposed by the Corporation for good corporate governance reasons during which trading in the Corporation's securities (including exercising options) are prohibited. The Option Plan allows the exercise period of options expiring during a blackout period imposed by the Corporation to be extended to the day that is the 10th business day after the expiry of the blackout period.

The Option Plan expressly specifies the amendments that the Board is permitted to make to the Option Plan without shareholder approval, and the amendments that require shareholder approval, as follows:

- The Option Plan allows the Board to make amendments to the Option Plan without having to obtain shareholder approval, including: (i) amendments of a housekeeping nature; (ii) a change to the vesting provisions of an Option or the Option Plan; and (iii) a change to the termination provisions of an Option or the Option Plan which does not entail an extension beyond the earlier of the original expiry date and one year after the effective date of the termination.

- The Option Plan expressly states that shareholder approval is required for the following changes to the Option Plan or options granted under it: (i) any increase to the fixed maximum percentage of Shares issuable under the Option Plan; (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider; (iii) an increase in the maximum number of Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time; (iv) an extension of the term of an Option held by or benefiting an Insider; (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation; (vi) the addition of any form of financial assistance; (vii) any amendment to a financial assistance provision which is more favourable to Participants; (viii) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and (ix) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

The Option Plan provides for accelerated vesting in the event of certain transactions, such as an amalgamation, merger or similar arrangement, a sale of substantially all of the assets, or a Change of Control (as defined in the Option Plan). In the event of such transactions, the Board may exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board determines that the Common Shares subject to any Option shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding will have the right at such time to exercise such Options to the extent specified and permitted by the Board. The Option Plan also provides that whenever the Corporation's shareholders receive a take-over bid under applicable securities laws and the Corporation supports this bid, the Participant may exercise their right to accelerated vesting based on certain time periods.

INFORMATION ON THE AUDIT COMMITTEE

Disclosure with respect to the composition of the Corporation's Audit Committee, the Mandate of the Audit Committee and other disclosure required to be made under National Instrument 52-110 – *Audit Committees* is contained in the Corporation's Annual Information Form filed on May 16, 2023 under the Corporation's profile on the SEDAR website at www.sedar.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of May 26, 2023, no executive officer, director, proposed nominee for election as a director or employee, former or present, of the Corporation was indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the Corporation's knowledge and except as stated below or as otherwise specified in this Circular, no material transaction involving the Corporation or any of its subsidiaries has been entered into since the beginning of the Corporation's most recently completed financial year ended December 31, 2022, or are proposed to be entered into, in which any director or executive officer of the Corporation, or any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Shares or any director or executive officer of such persons or of any subsidiary of the Corporation or any proposed director of the Corporation and each of their associates or affiliates has had or expects to have a direct or indirect material interest.

MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are not, to any degree, performed by a person or persons other than the directors or executive officers of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional information with respect to the Corporation, including copies of the Corporation's financial statements and management's discussion and analysis ("**MD&A**") may be found under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.bysato.com. Copies of the Corporation's financial statements and MD&A are also available on request from the Secretary of the Corporation. Financial information of the Corporation is provided in its comparative financial statements and MD&A for the Corporation's most recently completed period.

APPROVAL OF THE CIRCULAR

The content and transmission of this Circular have been approved by the Board.

Toronto, Ontario, May 26, 2023.

By Order of the Board of Directors

(s) Alasdair Federico
Mr. Alasdair Federico
Corporate secretary

SCHEDULE "A"
OPTION PLAN RESOLUTION

BE AND IT IS HEREBY RESOLVED:

1. to ratify and confirm the stock option plan (the "**Option Plan**") of SATO Technologies Corp. (the "**Corporation**"), the text of which is attached as Schedule "B" to the management information circular of the Corporation dated May 26, 2023; and

2. that any director or officer of the Corporation be, and each of them is hereby authorised and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action which, in such director's or officer's own discretion, is necessary or desirable to give effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

SCHEDULE "B"
STOCK OPTION PLAN

See attached Amended and Restated Stock Option Plan

AMENDED AND RESTATED STOCK OPTION PLAN

SATO TECHNOLOGIES CORP.

1. PURPOSE OF THE PLAN

The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. DEFINED TERMS

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

a) "**Acceleration Right**" means the Participant's right, in certain circumstances, to exercise its outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;

b) "**Board**" means the board of directors of the Corporation;

c) "**Business Day**" means each day other than a Saturday, Sunday or statutory holiday in Ontario, Canada;

d) "**Change of Control**" means an acquisition by any means (other than a Takeover Bid) by a person or persons acting jointly or in concert of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting right of the then outstanding Common Shares;

e) "**Common Shares**" means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;

f) "**Corporation**" means Capricorn Business Acquisitions Inc., and includes any successor corporation thereof;

g) "**Exchange**" means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed

and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;

h) "**Exercise Notice**" means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;

i) "**Expiry Time**" means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;

j) "**Fair Market Value**" means, for the purposes of sections 4.5 and 9.4 hereof, at any date in respect of the Common Shares, the closing price of the Common Shares as reported by the Toronto Stock Exchange on the last trading day immediately preceding such date or, if the Common Shares are not listed on any stock exchange, a price determined by the Board;

k) "**Insider**" has the meaning ascribed thereto in the Exchange Corporate Finance Manual;

l) "**Option**" means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;

m) "**Option Price**" means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;

n) "**Participants**" means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;

o) "**Personal Holding Company**" means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;

p) "**Plan**" means this stock option plan of the Corporation, as the same may be amended or varied from time to time;

q) "**Subsidiary**" means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (Ontario), as such provision is from time to time amended, varied or re-enacted, or a "related entity" as defined in section 2.22 of National Instrument 45-106; and

r) "**Take-Over Bid**" has the meaning ascribed thereto in the *Securities Act* (Ontario), as such provision is from time to time amended, varied or re-enacted.

3. ADMINISTRATION OF THE PLAN

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the "**Committee**"). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the "**Administrator**") the power to determine which Participants are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

4. GRANTING OF OPTION

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant (on a non-diluted basis). Any issuance of Common Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Common Shares available for Option grants under the Plan. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;

b) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;

c) the aggregate number of Options granted to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;

d) no more than 2% of the total issued and outstanding Common Shares at the time of grant may be granted to any one consultant in any 12 month period; and

e) no more than an aggregate of 2% of the total issued and outstanding Common Shares at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period.

4.5 Provided that the Corporation is listed on the Toronto Stock Exchange (the "**TSX**") and is in compliance with applicable TSX requirements, and subject to tax withholding procedures as determined by the Corporation, the Board may grant Options which allow a Participant to elect to exercise its Option on a "cashless basis", whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Common Share. For greater certainty, the Options may not be exercised on a "cashless basis" while the Common Shares are listed on the TSX Venture Exchange.

4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

5. OPTION PRICE

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

6. TERM OF OPTION

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. The term of any Option granted to Insiders may only be extended if disinterested shareholder approval is obtained in accordance with the policies of the Exchange. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 11 hereof or as otherwise provided herein.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

6.5 Except in the case of a Participant's Option that terminates pursuant to section 11.3 below, in the event that the term of any Option expires within a "blackout period" imposed by the Corporation, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

7. EXERCISE OF OPTION

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

7.2 If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of Options, then the Participant shall:

a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance;

b) authorize the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Common Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or

c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

8. ADJUSTMENTS IN SHARES

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, recapitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, subject to the prior approval of the Exchange for all such share capital adjustments other than a share subdivision or consolidation in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. ACCELERATED VESTING

9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more

corporations, as a result of which there is a Change of Control or the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants, except for Investor Relations Service Providers without prior Exchange acceptance, entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

9.3 the Expiry Time; and

9.4 (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take- Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

9.5 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.6 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Common Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

10. DECISIONS OF THE BOARD

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

11. CEASING TO BE A DIRECTOR, OFFICER, EMPLOYEE OR CONSULTANT

11.1 Subject to the terms of the applicable stock option agreements and subject to sections 11.2, 11.3, 11.4 and 13.1k) hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death,

including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after, except as provided below) the earlier of: (a) the Expiry Time; and (b) 90 days (or 30 days for any Participant engaged in Investor Relation Activities) following the effective date of such resignation or retirement or a date that is 90 days (or 30 days for any Participant engaged in Investor Relation Activities) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or without reasonable notice, subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever. Notwithstanding the foregoing, the Board may determine, without any further regulatory or shareholder approval, to extend such 90 day period referenced in item (b) of the foregoing sentence for Participants (excluding those that are engaged in Investor Relations Activities), provided that in no event may such period exceed 12 months following the effective date of such resignation, retirement or delivery of notice of termination.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

12. TRANSFERABILITY

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

13. AMENDMENT OR DISCONTINUANCE OF PLAN

13.1 The approval of the Board and the requisite approval from the Exchange and the shareholders (including disinterested shareholders approval if required by the policies of the Exchange) shall be required for any of the following amendments to be made to the Plan:

a) any increase to the fixed maximum percentage of Common Shares issuable under the Plan;

b) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;

c) an increase in the maximum number of Common Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;

d) an extension of the term of an Option held by or benefiting an Insider;

e) any change to the definition of “Participants” which would have the potential of broadening or increasing Insider participation;

f) the addition of any form of financial assistance;

g) any amendment to a financial assistance provision which is more favourable to Participants;

h) any amendment allowing (i) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements or (ii) the aggregate number of Options granted to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period, to exceed 10% of the Corporation’s total issued and outstanding Common Shares;

i) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;

j) any other amendments that may lead to significant or unreasonable dilution in the Corporation’s outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders; and

k) a change to the termination provisions of an Option or the Plan (including determining that any of the provisions of the Plan or any agreement subject to the Plan concerning the effect of termination (for whatever reason) of the Participant’s employment, service or consulting agreement/arrangement or cessation of the Participant’s directorship or office, shall not apply for any reason acceptable to the Board) which does not entail an extension beyond the earlier of (A) the original expiry date; and (B) one year after the effective

date of the termination, in each case except as contemplated in Section 6.5 above.

13.2 The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 13.1 above including, without limitation:

a) amendments of a housekeeping nature;

b) a change to the vesting provisions of an Option or the Plan; and

c) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

14. PARTICIPANTS' RIGHTS

14.1 14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

15. APPROVALS

15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

15.2 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 such approval and acceptance is given.

16. GOVERNMENT REGULATION

16.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and

c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

17. COSTS

The Corporation shall pay all costs of administering the Plan.

18. INTERPRETATION

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

19. COMPLIANCE WITH APPLICABLE LAW

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.