

SENTERNET TECHNOLOGIES INC.

4 KING STREET WEST, SUITE 1320
TORONTO, ONTARIO M5H 1B6

INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF PROXIES to be used at the Annual and Special Meeting of shareholders of **SENTERNET TECHNOLOGIES INC.** (the "Company") to be held May 15, 2013, at 10:00 a.m. (Toronto time) at 4 KING STREET WEST, SUITE 1320, TORONTO, ONTARIO . Proxies will be solicited primarily by mail and may also be solicited by the directors and/or officers of the Company at nominal cost. The Company will bear the cost of solicitation of proxies.

ELECTION OF DIRECTORS

The board of directors consists of four (4) directors to be elected annually. The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, all other positions and offices with the company now held by them, their principal occupations or employments, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, over which control or direction is exercised by each of them as of the date hereof.

Name, Office and Principal Occupation	Director Since	No. of Voting Securities Owned, Controlled or Directed as at December 21, 2012
Ronald Haller Director and President Certified Management Accountant	February 20, 1996	1,797,314 common
Moe Wortzman (1) Director and Secretary-Treasurer Corporate Executive	October 23, 1995	2,315,000 common
Peter L. Wood (1) Director Executive	July 15, 1983	12,500 common
David Coutts (1) Director Executive	May 1, 2006	NIL common

(1) Member of audit committee.

The information as to voting shares beneficially owned, not being within the knowledge of the Company has been furnished by the respective nominees individually.

The principal occupations of the directors and officers for the past five years are as follows:

Mr. Ronald Haller is a Certified Management Accountant, a director of the Company since February 20, 1996 and President of Fastcorp Mangement Ltd.

Mr. Moe Wortzman is a Corporate Executive, a director of the Company since October 23, 1995 and is the President of Heritage Transfer Agency Inc.

Mr. Peter L. Wood is an Executive and has been a director of the Company since 1983.

Mr. David Coutts is an Executive and has operated several businesses since 2000.

The term of office of each director will be from the date of the meeting at which he is elected until the annual meeting next following, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the fiscal years ended December 31, 2011 to December 31, 2004 inclusive in respect of the individuals who were, at December 21, 2012, the executive officers of the Company (the "Named Executive Officers"). Specific aspects of the compensation of the Named Executive Officers are dealt with in further detail in subsequent tables. No officers of the Company are entitled to annual salary and bonus in excess of \$100,000.

Name and Principal Position	Year	Annual Compensation			Long-term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Option Granted (#)	
Ronald Haller President and Director	2011	0	0	\$7,600 (1) \$4,014 (2)	0	0
Ronald Haller President and Director	2010	0	0	\$7,600 (1) \$3,461 (2)	0	0
Ronald Haller President and Director	2009	0	0	\$7,600 (1) \$3,744 (2)	0	0
Ronald Haller President and Director	2008	0	0	\$7,600 (1) \$3,188 (2)	0	0
Ronald Haller President and Director	2007	0	0	\$7,600 (1) \$3,158 (2)	100,000	0
Ronald Haller President and Director	2006	0	0	\$7,600 (1) \$5,011 (2) \$5,900 (3)	0	0
Moe Wortzman Secretary-Treasurer and Director	2011	0	0	\$4,860 (4)	0	0
Moe Wortzman Secretary-Treasurer and Director	2010	0	0	\$5,020 (4)	0	0
Moe Wortzman Secretary-Treasurer and Director	2009	0	0	\$4,808 (4)	0	0
Moe Wortzman Secretary-Treasurer and Director	2008	0	0	\$4,800 (5)	0	0
Moe Wortzman Secretary-Treasurer and Director	2007	0	0	\$4,830 (5)	315,000	0
Moe Wortzman Secretary-Treasurer and Director	2006	0	0	\$4,835 (5)	0	0
Peter Wood President and Director	2005	0	0	0	0	0
Peter Wood President and Director	2004	0	0	0	0	0

- (1) Fastcorp Management Ltd., a company of which Mr. Haller is sole director, officer and shareholder, was entitled to compensation in respect of accounting, corporate secretarial, taxation and head office services rendered.
- (2) Fastcorp Computers Ltd., a company of which Mr. Haller is sole director, officer and shareholder, was entitled to compensation in respect of SEDAR filing services rendered and related out-of-pocket expenses made to regulatory authorities.
- (3) Fastcorp Management Ltd. was reimbursed \$5,900 for expenses incurred in connection with the annual and special meeting of shareholders of the Company held on May 1, 2006.

- (4) Heritage Transfer Agency Inc., a company of which Mr. Wortzman is President, a director and sole shareholder was entitled to compensation in respect of services rendered as the Company's transfer agent and registrar commencing January 1, 2009.
- (5) Heritage Trust Company, a company of which Mr. Wortzman is President, a director and which the Wortzman Family Trust is sole shareholder was entitled to compensation in respect of services rendered as the Company's transfer agent and registrar until December 31, 2008.

Long-term Incentive Plan (LTIP) Awards

The Company currently has no Long Term Incentive Plans.

Other Compensation Matters

The Board of Directors of the Company as a whole determines the level of compensation in respect of the Company's senior executives. There were no long-term incentive awards made to the Named Executive Officers of the Company during the most recently completed financial year. There are no pension plan benefits in place for the named executive and none of the Named Executive Officers, senior officers or directors of the Company is indebted to the Company. In addition, there are no plans in place with respect to the Named Executive Officers for termination of employment or change in responsibilities.

Report on Executive Compensation

The Board of Directors has not established a compensation committee to determine the level of compensation in respect of the Company's senior executives. It is the responsibility of the Board of Directors as a whole to determine the level of compensation in respect of the Company's senior executives with a view to providing such executives with a competitive compensation package having regard to performance. Performance is defined to include achievement of the Company's strategic objective of growth and enhancement of shareholder value through increases in stock price resulting from increases in reserves and production and enhanced annual cash flow.

Compensation for executive officers is composed primarily of two components: namely, base salary and performance bonuses. Performance bonuses are considered from time to time having regard to the above-referenced objectives.

The Board of Directors is also responsible for reviewing the Company's manpower and succession plan to ensure that adequate plans are in place.

Compensation of Directors

No compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement.

All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Company.

Indebtedness of Directors and Officers

No director or officer was indebted to the Company during the fiscal years ended December 31, 2005 to December 31, 2011 inclusive.

REPORT OF AUDITORS AND AUDITED FINANCIAL STATEMENTS

The Annual Reports of the years 2005 to 2001 inclusive, including the financial statements for the years ended December 31, 2005 to December 31, 2011 inclusive and the reports of the auditors thereon (available on www.sedar.com) will be submitted to the meeting of shareholders. Receipt at such meeting of the auditors' report and the Company's financial statements for its last completed fiscal periods will not constitute approval or disapproval of any matters referred to therein.

APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF JOHN SCHOLZ, CHARTERED ACCOUNTANT, 7700 PINE VALLEY DRIVE, WOODBRIDGE, ONTARIO, L4L 8N8, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

RETURN OF CAPITAL AND A REDUCTION IN STATED CAPITAL

Shareholders will be asked to consider and if deemed advisable, approve and confirm with or without variation, a resolution, the text of which is set forth in Schedule "A" annexed hereto, to allow the Company to proceed with the return of capital and a reduction in the stated capital account maintained for the Company's common shares. The Company proposes (the "proposal") to issue four (4) of its common shares for each share held by shareholders as of the record date, December 21, 2012 at a deemed price of \$0.01 per share.

Shareholders will not be required to pay for any of the common shares they receive under the proposal nor will they be required to take any other action in connection with the proposal.

The common shares received by the shareholders may be restricted from trading for four months from the date of issue and certificates representing such shares may include a legend to this effect.

Canadian Federal Income Tax Considerations

The following summary describes the principal Canadian federal income tax considerations generally applicable to shareholders who receive a capital distribution in the form of shares in connection with a return of capital carried in the course of the Company's business and who for the purposes of the Income Tax Act (Canada) are individuals resident in Canada, deal at arms's length with the Company and hold their common shares as capital property. This summary is based on the current provisions of the Income Tax Act (Canada) and an understanding of the current administrative practices and policies of the Canada Revenue Agency ("CRA"). Shareholders who will receive common shares of the Company pursuant to the Return of Capital should generally be considered to have received a dividend for such portion of the value of the common shares of the Company that exceed the amount by which the stated capital is reduced in respect of the shareholder's shares. The Company does not expect that the distribution of the common shares of the Company will result in a shareholder being deemed to receive a dividend. Based on the CRA's administrative policies, shareholders will be considered to have acquired the common shares of the Company at a cost equal to their fair market value. Should a shareholder be deemed to have received a dividend he or she must include the amount of the dividend into income.

The aggregate fair market value on the distribution date of the common shares of the Company received by a shareholder will be deducted from the shareholders' adjusted cost base of his or her common shares. To the extent that the reduction exceeds the adjusted cost base of a shareholder's common shares, the holder will be deemed to have realized a capital gain equal to such excess and adjusted cost base of the shareholder's common shares will be nil.

Each shareholder could seek appropriate advice from a professional in respect of the foregoing. In addition the Company has not obtained any advice from US legal counsel with respect of the return of capital. United States resident shareholders should consult their own professionals for advice as to the impact of the return of capital.

The Board of Directors recommends that shareholders vote FOR the approval of the special resolution. The resolution is required to be passed by a least two-thirds of the votes cast at the Meeting. The text of the resolution is set forth in Schedule "A".

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTION ALLOWING THE COMPANY TO PROCEED WITH THE RETURN OF CAPITAL AND A REDUCTION IN THE COMPANY'S STATED CAPITAL, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH SPECIAL RESOLUTION.

AMENDMENT OF ARTICLES OF INCORPORATION

Shareholders will be asked to consider and if deemed advisable, approve and confirm with or without variation, a resolution, the text of which is set forth in Schedule "B" annexed hereto, to authorize the Company to amend its Articles of Incorporation.

- (i) changing the Company's name to Senternet Capital Ltd., or any such name that will be acceptable to the directors and any regulatory authorities having jurisdiction thereto;
- (ii) to increase the authorized capital of the Company by the creation of an unlimited number of Series "A", non-voting redeemable convertible preference shares; and
- (iii) to increase the authorized capital of the Company by the creation of an unlimited number of Series "B", non-voting redeemable preference shares.

The Board of Directors has concluded that it is in the best interest of the Company and its shareholders to create new series of shares in order to be in a better position to obtain new financings without diluting the interests of the common shareholders.

Subject to approval of the resolution at the meeting, the proposed amendment to the articles shall become effective upon the issuance of a Certificate of Amendment under the *Business Corporations Act* (Ontario).

The Board of Directors recommends that shareholders vote FOR the approval of the special resolution. The special resolution is required to be passed by at least two-thirds of the votes cast at the Meeting. The amendments to the articles will not become effective until Articles of Amendment have been delivered to the Director under the *Business Corporations Act* (Ontario) (the "Act"), and a Certificate of Amendment has been endorsed thereon in accordance with the Act.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTION;

- (I) CHANGING THE COMPANY'S NAME TO SENTERNET CAPITAL LTD., OR ANY SUCH NAME THAT WILL BE ACCEPTABLE TO THE DIRECTORS AND ANY REGULATORY AUTHORITIES HAVING JURISDICTION THERETO; AND
- (II) TO INCREASE THE AUTHORIZED CAPITAL OF THE COMPANY BY THE CREATION OF AN UNLIMITED NUMBER OF SERIES "A", NON-VOTING REDEEMABLE CONVERTIBLE PREFERENCE SHARES; AND
- (III) TO INCREASE THE AUTHORIZED CAPITAL OF THE COMPANY BY THE CREATION OF AN UNLIMITED NUMBER OF SERIES "B", NON-VOTING REDEEMABLE PREFERENCE SHARES.

UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH SPECIAL RESOLUTION.

PROPOSED PRIVATE PLACEMENTS

Shareholders are being asked to approve a proposed private placement of 1,000,000 Series "A" non-voting redeemable convertible preference shares of the Company at a price of \$1.00 per

share for \$1,000,000 to one or several subscribers who are arms-length from the Company, the text of the resolution to approve this private placement is set forth in Schedule "C". The proceeds will be added to the Company's working capital.

The Board of Directors recommends that shareholders vote FOR the approval of the proposed private placement.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE PROPOSED PRIVATE PLACEMENT, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Shareholders are being asked to approve a proposed private placement of 20,000,000 Series "B" non-voting redeemable preference shares of the Company at a price of \$10.00 per share for \$200,000,000 to subscribers who are arms-length from the Company, the text of the resolution to approve this private placement is set forth in Schedule "D". The proceeds will be used to subscribe in revenue generating securities, including, but not limited to life settlements and public and private equity investments.

The Board of Directors recommends that shareholders vote FOR the approval of the proposed private placement.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE PROPOSED PRIVATE PLACEMENT, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

STOCK OPTIONS

The Board of Directors of the Company passed a resolution on March 20, 2006 creating a new stock option plan (the "Plan"). The Plan is designed to encourage stock ownership by directors, officers, and service providers of the Company, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for significant performance by such persons and to enable the Company to attract and retain valued persons. The institution of the Plan is subject to shareholder and regulatory approval and approval.

The aggregate number of common shares which may be reserved and set aside for issuance to eligible persons under the Plan may not exceed 10% of the issued common shares of the Company.

There are currently no options issued under the plan.

The approval of the Plan constitutes shareholder approval of future stock options granted to directors, senior officers and/or their management companies provided same are authorized by the Plan. The Plan will not be instituted if its establishment is not confirmed by a majority of votes cast at

the meeting. The text of the Plan is attached hereto as Schedule "E". A copy of the resolution approving the Plan is attached hereto as Schedule "F".

The Board of Directors recommends that shareholders vote FOR the approval of the Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTION OF THE STOCK OPTION PLAN, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

THE MANAGEMENT KNOWS OF NO MATTERS TO COME BEFORE THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OTHER THAN AS SET FORTH IN THE NOTICE OF MEETING. HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Company. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy and in either case, depositing the completed proxy with the Company at 4 KING STREET WEST, SUITE 1320, TORONTO, ONTARIO, M5H 1B6, on or before the close of business on the last day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used, or delivering it to the Chairman of the meeting on the day of the meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the meeting on the day of such meeting or any adjournment thereof and thereupon the proxy is revoked. A shareholder attending the meeting has the right to vote in person and if he does so, his proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the meeting or any adjournment thereof.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares owned by a person (a “non-registered holder”) are registered either (a) in the name of an intermediary (an “Intermediary”) that the non-registered holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Management Information Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of common shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Material to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- (a) 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 and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “Voting Instruction Form”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the common shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank

space provided. **Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.**

All references to shareholders in this Meeting Information Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED AND WHERE A CHOICE IS SPECIFIED, WILL BE VOTED IN ACCORDANCE WITH THE CHOICE SO SPECIFIED IN THE PROXY. WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, FOR THE COMPANY TO PROCEED WITH THE RETURN OF CAPITAL AND A REDUCTION IN STATED CAPITAL, FOR THE AMENDMENT OF THE COMPANY'S ARTICLES OF INCORPORATION, FOR THE APPROVAL OF PROPOSED PRIVATE PLACEMENTS, AND FOR THE APPROVAL OF THE EXISTING STOCK OPTION PLAN ENACTED IN 2006 IN ACCORDANCE WITH THE POLICIES OF THE TSX VENTURE EXCHANGE, AS STATED ELSEWHERE IN THIS CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE. AT THE TIME OF PRINTING OF THIS CIRCULAR, THE MANAGEMENT OF THE COMPANY KNOWS OF NO SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS TO COME BEFORE THE MEETING.

AUDIT COMMITTEE CHARTER

Multilateral Instrument 52-110 (the "Instrument") relating to the composition and function of audit committees applies to the Company as a Venture Issuer. The Instrument requires all affected issuers to have a written Audit Committee Charter (the "Charter") which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the shareholders of the Company for the purpose of electing directors to the Board. This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the directors nor audit committee to alter or vary procedures to comply more fully with the Instrument, as amended from time to time. A copy of the Audit Committee Charter is attached hereto as Schedule "G".

VOTING OF SHARES

Persons registered on the books of the Company at the close of business on December 21, 2012, (the "record date") and persons who are transferees of any shares acquired after the record date and who have produced properly endorsed certificates evidencing such shares or who otherwise have established ownership thereof and demand, not later than 10 days before the ANNUAL AND SPECIAL MEETING, that their names be included in the list of shareholders, are entitled to vote at the annual and special meeting of the Company.

At the date of this information circular, the Company has outstanding 6,694,330 common shares of its capital stock, each of which carries one vote. So far as the directors and officers of the Company are aware, the only persons or companies beneficially owning, directly or indirectly, or exercising control or direction over voting securities carrying in excess of 10% of the voting rights attached to the common shares of the Company are those set out below:

<u>NAME & ADDRESS</u>	<u>NO. & CLASS OF SHARES</u>	<u>PERCENTAGE OF CLASS</u>
Moe Wortzman Toronto, ON	2,315,000 common	34.58%
1207504 Ontario Ltd. (a) Toronto, ON	1,797,314 common	26.85%
CEDE & CO. (b) New York, New York, U.S.A.	1,233,828 common	18.43%

(a) Moe Wortzman, a current director of the Company, is the sole director and officer of 1207504 Ontario Ltd. Ronald Haller, also a current director of the Company, is the sole shareholder of 1207504 Ontario Ltd.

(b) The beneficial owners of these shares is unknown to the Company.

THIS DOCUMENT MAY CONTAIN FORWARD-LOOKING INFORMATION. ACTUAL FUTURE RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED. THE RISKS, UNCERTAINTIES AND OTHER FACTORS, BOTH KNOWN AND UNKNOWN, THAT COULD INFLUENCE ACTUAL RESULTS MAY BE SUBSTANTIAL AND INCLUDE THOSE DESCRIBED IN DOCUMENTS FILED WITH REGULATORY AUTHORITIES. ACCORDINGLY, NO ASSURANCES CAN BE GIVEN THAT ANY OF THE EVENTS ANTICIPATED BY THE FORWARD-LOOKING STATEMENTS WILL TRANSPIRE OR OCCUR, OR IF ANY OF THEM DO SO, WHAT BENEFITS THE COMPANY WILL DERIVE THEREFROM.

The undersigned hereby certifies that the contents and the sending of this information circular have been approved by the directors of the Company.

"RONALD HALLER"
Ronald Haller, President

DECEMBER 21, 2012

SCHEDULE "A"
RESOLUTION OF SHAREHOLDERS OF
SENTERNET TECHNOLOGIES INC.

(the "Company")

Return of Capital and a Reduction in Stated Capital

BE IT RESOLVED, that:

1. the Company is allowed to proceed with the return of capital and a reduction in the stated capital account maintained for the Company's common shares;
2. the Company is to issue four (4) of its common shares from treasury for each share held by shareholders as of the record date December 21, 2012 at a deemed price of \$0.01 per share;
3. 26,777,320 common shares as hereby allotted and reserved for issuance and such common shares will be issued as fully paid and non-assessable;
4. the 26,777,320 common shares issued may be restricted from trading for four months from the date of issue and certificates representing such shares may include a legend to this effect; and
5. any officer or director of the Company is authorized to execute all such documents and do all such other acts as may be necessary or desirable to give effect to the foregoing.

SCHEDULE "B"

RESOLUTION OF SHAREHOLDERS OF SENTERNET TECHNOLOGIES INC.

(the "Company")

Amendment of the Company's Articles of Incorporation

BE IT RESOLVED, that:

- I. the articles of the Company be amended as follows:
 1. to change the Company's name to Senternet Capital Ltd., or any such name that will be acceptable to the directors and any regulatory authorities having jurisdiction thereto; and
 2. to increase the authorized capital of the Company by the creation of an unlimited number of Series "A", non-voting redeemable convertible preference shares; and
 3. to increase the authorized capital of the Company by the creation of an unlimited number of Series "B", non-voting redeemable preference shares.

- II. The designation, preference, rights, conditions, restrictions, limitations or prohibitions attaching to the Series "A", non-voting, redeemable, convertible preference shares are as follows:
 1. The Series "A", non-voting, redeemable, convertible preference shares with no par value shall be designated as non-voting, redeemable, convertible, participating shares (hereinafter called the Series "A" Preference Shares").
 2. An annual dividend of 10% shall be declared, set aside or paid on the Series "A" preference shares. The payment of the dividend shall be subject to the requirement that the Company must have a minimum of \$1,000,000 in cash after the payment of the dividend.
 3. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets or property of the Company among shareholders for the purpose of winding up its affairs the holders of the Series "A" preference shares shall be entitled to receive from the assets and property of the Company a sum equivalent to the adjusted cost base of the Series "A" preference shares held by them respectively before any amount shall be paid or any property or assets of the Company distributed to the holders of any common shares or shares of any other class ranking junior to the Series "A" preference shares. After payment to the holders of the Series "A"

preference shares of the amount so payable to them as above provided they shall not be entitled to share in any further distribution of the assets or property of the Company.

4. The holder of the Series "A" preference shares shall have the option, after the one year anniversary of the issuance of the Series "A" preference shares, to convert the Series "A" preference shares and any accrued interest into common shares in the capital of the Company at a conversion price equal to the closing price of the Company's shares on the day prior to the conversion date.

In the event that the Company's common shares close at or above \$1.10 for ten consecutive trading days, the Company shall have the right to force the conversion of the Series "A" preference shares on the same terms and conditions as the Holder.

5. The Series "A" preference shares shall be redeemable in accordance with the provisions set forth in paragraph 7 hereof, upon notice by the Company as provided in paragraph 6 hereof, on payment for each share to be redeemed of the adjusted cost base thereof.
6. The Company may not redeem the Series "A" preference shares or any of them prior to the expiration of three years from the respective dates of issuance thereof.
7. In the case of redemption of the Series "A" preference shares, the Company shall at least twenty (20) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of the Series "A" preference shares to be redeemed a notice in writing of the intention of the Company to redeem such Series "A" preference shares. Such notice shall be mailed by letter, postage paid, addressed to each such shareholder at his address as it appears on the records of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided however, that accidental failure to give any such notice to one (1) or more such shareholders shall not affect the validity of such redemption. Such notice shall not affect the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed. On or after the date so specified for redemption, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series "A" preference shares to be redeemed the redemption price thereof on presentation and surrender at the head office of the Company or any other place designated in called for redemption. If a part only of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Company. From and after the date specified for redemption in any such notice the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected. The Company shall have the right at any time after the

mailing of notice of its intention to redeem any Series "A" preference shares to deposit the redemption price of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such Series "A" preference shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the preference shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively.

8. No shareholder shall be entitled to sell, assign, transfer or otherwise dispose of any Series "A" preference shares or shares without the previous express sanction of the directors of the Company expressed by a resolution passed at a meeting of the board of directors of the Company or consented to by an instrument or instruments in writing signed by all of the directors.

III. The designation, preference, rights, conditions, restrictions, limitations or prohibitions attaching to the Series "B", non-voting, redeemable preference shares are as follows:

1. The Series "B" preference shares with no par value shall be designated as redeemable, non-voting, participating shares (hereinafter called the Series "B" Preference Shares").
2. An annual dividend of 6% shall be declared, set aside or paid on the Series "B" preference shares.
3. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets or property of the Company among shareholders for the purpose of winding up its affairs the holders of the Series "B" preference shares shall be entitled to receive from the assets and property of the Company a sum equivalent to the adjusted cost base of the Series "B" preference shares held by them respectively before any amount shall be paid or any property or assets of the Company distributed to the holders of any Series "A" preference shares or any common shares or shares of any other class ranking junior to the Series "B" preference shares. After payment to the holders of the Series "B" preference shares of the amount so payable to them as above provided they shall not be entitled to share in any further distribution of the assets or property of the Company.
4. The Series "B" preference shares shall be redeemable in accordance with the provisions set forth in paragraph 6 hereof, upon notice by the Company as provided

in paragraph 6 hereof, on payment for each share to be redeemed of the adjusted cost base thereof.

5. The Company may not redeem the Series "B" preference shares or any of them prior to the expiration of three years from the respective dates of issuance thereof.
6. In the case of redemption of the Series "B" preference shares, the Company shall at least twenty (20) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of the Series "B" preference shares to be redeemed a notice in writing of the intention of the Company to redeem such Series "B" preference shares. Such notice shall be mailed by letter, postage paid, addressed to each such shareholder at his address as it appears on the records of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided however, that accidental failure to give any such notice to one (1) or more such shareholders shall not affect the validity of such redemption. Such notice shall not affect the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed. On or after the date so specified for redemption, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series "B" preference shares to be redeemed the redemption price thereof on presentation and surrender at the head office of the Company or any other place designated in called for redemption. If a part only of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Company. From and after the date specified for redemption in any such notice the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected. The Company shall have the right at any time after the mailing of notice of its intention to redeem any Series "B" preference shares to deposit the redemption price of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such Series "B" preference shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the preference shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively.

7. No shareholder shall be entitled to sell, assign, transfer or otherwise dispose of any Series "B" preference shares or shares without the previous express sanction of the directors of the Company expressed by a resolution passed at a meeting of the board of directors of the Company or consented to by an instrument or instruments in writing signed by all of the directors.

- IV. any one officer or director of the Company is hereby authorized and directed on behalf of the Company to deliver Articles of Amendment in duplicate to the Director under the *Business Corporations Act* (Ontario) and to sign and execute all documents and to do all things necessary or advisable in connection with the foregoing; and

- V. the Board of Directors of the Company is hereby authorized to revoke this special resolution without further approval of the shareholders of the Company at any time prior to the endorsement by the Director under the *Business Corporations Act* (Ontario), of a certificate of amendment of articles in respect of the amendment referred to above.

SCHEDULE "C"
RESOLUTION OF SHAREHOLDERS OF
SENTERNET TECHNOLOGIES INC.

(the "Company")

Private Placement

BE IT RESOLVED, that:

1. The Company enter into a private placement of up to 1,000,000 Series "A", non-voting, redeemable, convertible preference shares (Series "A" preference shares) of the Company at a price of \$1.00 per share.
2. The Company may enter into agreements with one or several subscribers, but in any event, all subscribers must be at arms-length from the Company and any individual subscriber is required to subscribe for a minimum of \$150,000.
3. 1,000,000 Series "A" preference shares are hereby allotted and reserved for issuance to the subscribers of the Series "A" preference shares pursuant to the private placement and upon payment of the subscription for each such Series "A" preference shares, such Series "A" preference shares will be issued as fully paid and non-assessable.
4. Acting in good faith and in the best interest of the Company, the consideration of the issuance of the Series "A" preference shares is hereby determined to be \$1.00 each.
5. Any one director or officer of the Company be and he is hereby authorized and directed, acting for, in the name and on behalf of the Company, to execute or cause to be executed under the seal of the Company otherwise, and to deliver or cause to be delivered, all such other deeds, documents, instruments, and assurances and to do or cause to be done all such other acts and things, as in opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing resolution.

SCHEDULE "D"
RESOLUTION OF SHAREHOLDERS OF
SENTERNET TECHNOLOGIES INC.

(the "Company")

Private Placement

BE IT RESOLVED, that:

1. The Company enter into a private placement of up to 20,000,000 Series "B", non-voting, redeemable, convertible preference shares (Series "B" preference shares) of the Company at a price of \$10.00 per share.
2. The Company may enter into agreements with one or several subscribers, but in any event, all subscribers must be at arms-length from the Company and any individual subscriber is required to subscribe for a minimum of \$150,000.
3. 20,000,000 Series "B" preference shares are hereby allotted and reserved for issuance to the subscribers of the Series "B" preference shares pursuant to the private placement and upon payment of the subscription for each such Series "B" preference shares, such Series "B" preference shares will be issued as fully paid and non-assessable.
4. Acting in good faith and in the best interest of the Company, the consideration of the issuance of the Series "B" preference shares is hereby determined to be \$10.00 each.
5. Any one director or officer of the Company be and he is hereby authorized and directed, acting for, in the name and on behalf of the Company, to execute or cause to be executed under the seal of the Company otherwise, and to deliver or cause to be delivered, all such other deeds, documents, instruments, and assurances and to do or cause to be done all such other acts and things, as in opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing resolution.

SCHEDULE "E"
SENTERNET TECHNOLOGIES INC.
(the "Company")
STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for Directors, Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries, to be known as the "SENTERNET TECHNOLOGIES INC. Stock Option Plan" (the "Plan") or such other name as may be approved from time to time by the Board of Directors of the Company. The purpose of the Plan is to give to Directors, Employees and Consultants, as additional compensation the opportunity to participate in the profitability of the Company by granting to such individuals options, exercisable over periods of up to five years as an incentive and determined by the Board of Directors of the Company, to buy shares of the Company at a price equal to the Market Price (as defined below) prevailing on the Board of Directors of the Company and as permitted by the policies of the Exchange (as defined below).

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- (a) "Affiliate" means an affiliate within the meaning of the Business Corporations Act (Ontario).
- (b) "Associate" means an associate as defined in the Securities Act.
- (c) "Board" or "Board of Directors" means the Board of Directors of the Company.
- (d) "Change of Control" means the acquisition by any person or by two or more persons, acting jointly or in concert (within the meaning of the Securities Act) of the Company, which when added to all other voting securities of the Company at the time held by such person or by such persons, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such persons, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- (e) "Consultant" means, in relation to the Company, an individual (or company wholly-owned by an individual) who:

- (i) provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract;
 - (ii) possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;
 - (iii) spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (f) "Company" means SENTERNET TECHNOLOGIES INC. and its successors.
- (g) "Directors" means directors, senior officers and Management Company Employees of the Company or of the Company's subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws.
- (h) "Disability" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which such Optionee was last employed or engaged by the Company or its subsidiaries; or
 - (ii) acting as a director or officer of the Company or its subsidiaries.
- (i) "Discounted Market Price" of Shares means, if the Shares are listed on the Exchange, the Market Price less the maximum discount permitted under the policies of the Exchange applicable to Options.
- (j) "Employee" means:
- (i) an individual who is considered an employee of the Company or a subsidiary of the Company under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction over the details and methods of work as an employee of the company or a subsidiary of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or a subsidiary of the Company on a continuing and regular basis for a minimum amount of time per week providing services

normally provided by an employee and who is subject to the same control and direction by the Company or a subsidiary of the Company over the details and methods of work as an employee of the Company, or a subsidiary of the Company but for whom income tax deductions are not made at source.

- (k) "Exchange" means the TSX Venture Exchange or, if applicable, The Toronto Stock Exchange or any other stock exchange on which the Shares are listed and posted for trading.
- (l) "Expiry Date" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- (m) "Grant Date" means the date on which an Option is granted by the Board.
- (n) "Insider" means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or a subsidiary of the Company; or;
 - (iii) a person that beneficially owns or controls, directly or indirectly, voting shares of the Company carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company.
- (o) "Investor Relations Activities" means investor relations activities as defined in the rules and policies of the Exchange.
- (p) "Management Company Employee" means an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the company, but excluding a Person engaged in Investor Relations Activities. "Management Company Employees" are included in the definition of "Directors".
- (q) "Market Price" of Shares at any Grant Date means, the closing price per Share on the Exchange for the last day Shares were traded prior to the Grant Date, provided such price is fixed in accordance with and subject to the policies of the Exchange, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sales price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- (r) "Options" means an option to purchase Shares granted pursuant to this Plan.
- (s) "Option Agreement" means an agreement, between the Company and an Optionee.

- (t) "Optionee" means each of the Directors, Employees and Consultants granted an Option pursuant to this Plan and their heirs, executors and administrators and, subject to the policies of the Exchange, an "Optionee" may also be a corporation wholly-owned by an individual eligible for an Option grant pursuant to this Plan.
- (u) "Option Price" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- (v) "Option Shares" means the aggregate number of Shares which an Optionee may purchase under an Option.
- (w) "Person" means an individual, corporation, incorporated association or organization, corporate body, partnership, trust, association or other entity.
- (x) "Plan" means this SENTERNET TECHNOLOGIES INC. Stock Option Plan.
- (y) "Shares" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- (z) "*Securities Act*" means the Securities Act (Ontario), R.S.O. 1990, c.S.5, as amended, as at the date hereof.
- (aa) "Unissued Option Shares" means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- (bb) "Vested" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Options Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to the Directors, Employees and Consultants of the Company and its subsidiaries. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be 2,000,000 Shares or such additional amount as may be approved from time to time by the shareholders of the Company. The aggregate number of Shares that may be reserved for issuance to any one individual under the Plan and under all of the Company's other previously established or proposed share compensation arrangements shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis at time of the grant. The aggregate number of Shares that may be reserved for issuance to Consultants under the Plan and under all the Company's other previously established or proposed share compensation arrangements shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis at the time of the grant. The aggregate number of Shares which may be reserved for issuance to persons employed in Investor Relations Activities under the Plan and under all of the Company's other previously established or proposed share compensation arrangements shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis at the time of the grant, unless the Exchange permits otherwise. The number of Shares which may be reserved for issuance under the Plan and under all the Company's other previously established or proposed share compensation arrangements

- (a) in the aggregate shall not exceed 10% of the outstanding issue of Shares; and
- (b) to any one Optionee within a one year period shall not exceed 5% of the outstanding issues of Shares.

For the purposes of subsections (a) and (b) above, "outstanding issue" is determined on the basis of the number of Shares that are outstanding immediately prior to the Share reservation in question, excluding Shares issued pursuant to Share compensation arrangements over the preceding one-year period.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 5:00 pm local time on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchange, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Current policies of the TSX Venture Exchange provide that:

- (a) the TSX Venture Exchange will not normally accept plans which permit vesting over a period of less than 18 months or that vesting schedules which permit a majority of the shares to be released early in that vesting period rather than equally on a quarterly basis; and
- (b) options issued to Consultants engaged in Investor Relations Activities must vest in stages over a period of 12 months with no more than 1/4 of the Options vesting in any three month period;
- (c) and such policies are hereby adopted by the Board to remain in effect until amended or repealed.

4.4 Termination of Employment

If the Optionee ceases to be a Director, Employer or Consultant of the Company or one of the Company's subsidiaries, his or her Options shall be exercisable as follows:

- (a) Death or Disability
 - (i) If the Optionee ceases to be a Director, Employer or Consultant of the Company or a subsidiary of the Company, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides services to the Company or a subsidiary of the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of;
 - (ii) 365 days after the date of death or Disability; and
 - (iii) the Expiry Date;

(b) Termination For Cause

If the Optionee ceases to be a Director, Employer or Consultant of the Company or one of the Company's subsidiaries as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, or in the case of an Optionee that is a corporation wholly owned by a individual who is a Director, Employee or Consultant and such individual ceases to be a Director, Employee or Consultant as a result of termination for cause as such term is interpreted in the courts of the jurisdiction in which such individual is employed or engaged, any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be canceled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of an Option granted to an Optionee which is a company wholly-owned by an individual, ceases to be a Director, Employee or Consultant, such individual ceases to be a Director, Employee or Consultant of the Company or a subsidiary of the Company due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company or a subsidiary of the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of an Option granted to an Optionee which a corporation wholly-owned by an individual who is a Director, Employee or Consultant, such individual, ceases to be a Director, Employee or Consultant of the Company or a subsidiary of the Company.

For greater certainty, an Option that has not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 4.4 occurred, shall not be or become exercisable in respect of such Unissued Option Shares and shall be canceled.

4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) (or more particularly, as described in paragraph (c) under the definition of "distribution") of the *Securities Act*, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Option Shares belonging to the class of shares subject to such Offer will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of subsection (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to section 4.3 shall be reinstated. If any Option shares are returned to the Company under this section 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.6 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Options granted under the Plan to be Vested, and declare the Expiry Date for the exercise of all unexercised Options granted under the Plan to be accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

4.7 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee.

4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of an Option granted to an Optionee which is a company wholly-owned by an individual who is a Director, Employee or Consultant, such individual, retire, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at the time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation or nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.9 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "Share Reorganization") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidence of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "Special Distribution"), and effective immediately after the record date at which holders of shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Options

Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, arrangement, merger or amalgamation of the Company with or into another company resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Company Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option shares which the Optionee would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that the Option would have been entitled to receive as a result of the Company Reorganization if, on the effective date thereof, the Optionee has been the holder of all Unissued Options Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Company Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if such auditor declines to so act, any other firm of chartered accountants in Canada that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option shares or other securities purchasable under the Plan pursuant to the operations of any one of sections 5.1, 5.2 or 5.3 is subject to any required approval of exchange and of any securities regulatory or other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions herof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary or other governmental authority having jurisdiction.

6.2 Necessary Approvals

This Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval may only be exercised upon the receipt of such approval. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to any required approval of the Exchange and any securities regulatory or other governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and an Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitations, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Income Taxes

As a condition of and prior to participation in the Plan, any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of the Optionee's participation in the Plan.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company of the Plan, suspend, terminate or discontinue the plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an

Optionee under the Plan without the consent of that Optionee, and, that disinterested shareholder approval (within the meaning of the policies of the TSX Venture Exchange) will be obtained for any reduction in the exercise price if the Optionee is an Insider at the time of the proposed amendment.

6.6 Disinterested Shareholder Approval

The Company shall obtain disinterested shareholder approval (within the meaning of the policies of the TSX Venture Exchange) of Options if:

- (a) the Plan, together with all of the Company's previously established proposed stock option grants, could result at any time in;
 - (i) the number of Shares reserved for issuance pursuant to stock options granted to Insiders exceeds 10% of the outstanding Shares;
 - (ii) the issuance to Insiders, within a one year period, of a number of Shares exceeds 10% of the outstanding Shares; or
 - (iii) the issuance to any one Insider and such Insider's Associates, within a one year period, of a number of Shares exceeds 5% of the outstanding Shares or
- (b) the Company is decreasing the exercise price of Option previously granted to Insiders.

6.7 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.8 No Representation or Warranty as to Value

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.9 Representation or Warranty as to Bona Fides

For Options granted to Employees, Consultants and Management Company Employees, the Company will represent to the Exchange that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or one of its subsidiaries.

6.10 Compliance with Applicable Law

If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.11 No Assignment

No Optionee may assign any of his or her rights under the Plan.

6.12 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any right offering).

6.13 Governing Law

The Plan shall be governed by laws of the province of Ontario.

6.14 Time of Essence

Time is of the essence of this Plan. No extension of time will be deemed to be or to operate as a waiver of the essentially of time.

6.15 Entire Agreement

This Plan sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE "F"

**RESOLUTION OF SHAREHOLDERS OF SENTERNET
TECHNOLOGIES INC.**

(The "Company")

Approval of the Company's Stock Option Plan

BE IT RESOLVED THAT:

1. the Company maintain the existing stock option plan (the "Plan"), substantially upon the terms and conditions of the Plan attached to the Management Information Circular as Schedule "E"; and
2. the directors and proper officers of the Company are hereby authorized to take all such steps and execute and deliver for and on behalf of the Company all such documents as they deem necessary or desirable to give effect to the foregoing, and to reserve and set aside sufficient common shares of the Company for the purposes of the Plan, and such directors and proper officers are hereby authorized to make such changes, additions and alterations thereto as such regulatory authorities may require.

SCHEDULE "G"

SENTERNET TECHNOLOGIES INC.

(The "Company")

AUDIT COMMITTEE CHARTER

Purpose of the Audit Committee

The purpose of the Audit Committee (**the "Committee"**) of the Board of Directors (**the "Board"**) of the Company is to assist the Board in fulfilling its responsibilities for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Company maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Company and to foster increased investor confidence in both the Company and Canada's capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Company to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Company. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Company. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgement. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Specific duties and responsibilities of the Audit Committee

- (1) The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditors.
- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution or disagreements between Management and the external auditors regarding financial reporting.
- (3) The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditors.
- (4) The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditors during the fiscal year in which the services are provided;
 - (b) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5)
 - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement by the Committee.
 - (c) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;

- (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
- (7) The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- (8) The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
- (9) The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (10) The Committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (11) The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
- (12) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Company's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
- (13) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.

- (14) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.
- (15) The Committee shall review with Management and the external auditors the audit plan for the year-end financial statements prior to the commencement of the year end audit.
- (16) The Committee shall review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (17) The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
- (18) The Committee shall review in consultation with the external auditors and Management the integrity of the Company's financial reporting process and internal controls.