



**CERTIVE SOLUTIONS INC.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF CERTIVE SOLUTIONS INC.  
TO BE HELD ON MARCH 11, 2020**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

February 5, 2020

## SUMMARY

The following is a summary of information relating to Certive Solutions Inc. (the “**Company**”) and certain other matters and should be read together with the more detailed information and financial statements and accompanying management’s discussion and analysis contained elsewhere in this Information Circular. This Summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Information Circular and the schedules attached hereto.

### THE MEETING

The annual general and special meeting of shareholders of the Company (the “**Meeting**”) will be held in the office of Buckley Dodds LLP Chartered Professional Accountants, Suite 1140, 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6 at 10:00 a.m. (Vancouver time) on March 11, 2020. The record date for determining the shareholders eligible to vote at the Meeting is February 3, 2020. At the Meeting, the shareholders will be asked, among other things, to vote on the election of directors; the appointment of an auditor; approval of a stock option plan, and adoption of a new set of articles of the Company.

### THE BUSINESS OF THE COMPANY

The common shares of the Company are listed and posted for trading on the Canadian Securities Exchange under the symbol “CBP”. The Company is in the business of revenue cycle management solutions to the health care industry in the United States and operates through two (2) wholly owned subsidiaries being Certive Health Inc, a company duly existing under the laws of Arizona, and Advantive Information Systems Inc., a company duly existing under the laws of Arizona.

Certive Health Inc., a wholly owned subsidiary of the Company wholly owns and operates a subsidiary named Omega Technology Solutions Inc., a company duly existing under the laws of Arizona.

The Company’s continuous disclosure filings, including its financial statements and accompanying management’s discussion and analyses, can be found under its profile on [www.sedar.com](http://www.sedar.com).

### THE BUSINESS OF THE MEETING

- To fix the number of directors for the ensuing year at five (5).
- To elect directors for the ensuing year.
- To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration.
- To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to affirm, ratify, and approve the Company's stock option plan.
- To transact such other business as may properly come before the Meeting or any adjournments thereof.

**CERTIVE SOLUTIONS INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS TO BE HELD ON  
MARCH 11, 2020**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting of the shareholders of Certive Solutions Inc. (“**Certive**” or the “**Company**”) will be held in the office of Buckley Dodds LLP Chartered Professional Accountants, Suite 1140, 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6 at 10:00 a.m. (Vancouver time) on March 11, 2020 (the “**Meeting**”), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended May 31, 2019, together with the report of the auditors thereon;
2. to fix the number of directors of the Company at five (5) and to elect the directors (“**Directors**”) of the Company;
3. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution re-appointing Buckley Dodds LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration of the auditors, as more particularly set out in the accompanying management information circular (the “**Circular**”);
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, substantially in the form set out in the accompanying Circular, approving the incentive stock option plan of the Company (the “**Stock Option Plan**”);
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Details of the foregoing matters are contained in the accompanying Circular of the Company.

If you are a registered Shareholder of Certive and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Certive’s transfer agent, **Computershare Trust Company of Canada, c/o the Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, BC, V6C 3B9, on or before 10:00 a.m. (Vancouver time) on March 9, 2020**, or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used, or by delivering it to the Chair of the Meeting before the time of voting on the day of the Meeting or any adjournment thereof.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED: February 5, 2020.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

(signed) "Tom Marreel"  
Chief Executive Officer

## CERTIVE SOLUTIONS INC.

### MANAGEMENT INFORMATION CIRCULAR

As at February 5, 2020

### SOLICITATION OF PROXIES BY MANAGEMENT

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Certive Solutions Inc. (“Certive” or the “Company”) for use at the annual general and special meeting (the “Meeting”) of shareholders of the Company to be held in the office of Buckley Dodds LLP Chartered Professional Accountants, Suite 1140, 1185 W Georgia Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on March 11, 2020 and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.** Solicitations may be made by mail and supplemented by telephone or other personal contact by the officers, employees or agents of the Company without special compensation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation materials to the beneficial owners of the common shares of the Company (the “Shares”). The cost of any such solicitation will be borne by the Company.

The Board of Directors of the Company has fixed the record date for the Meeting to be the close of business on **February 3, 2020** (the “Record Date”). Shareholders of record as of the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are Directors and/or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder of the Company) to attend and represent him or her at the Meeting, other than those persons named in the enclosed form of proxy. A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing another proper form of proxy.** A form of proxy will not be valid unless it is completed, dated, signed and delivered to the office of the registrar and transfer agent of the Company, Computershare Trust Company of Canada (“Computershare”), Suite 300, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not less than 48 hours (excluding Saturday, Sunday and statutory holidays) preceding the Meeting or an adjournment of the Meeting.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A proxy may be revoked by depositing an instrument in writing, executed by the shareholder or his or her attorney authorized in writing, or, if the shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the corporation at the office of Computershare, Suite 300, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at any time, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the Meeting or an adjournment of the Meeting at which the proxy is to be used.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Company within the time period set out under the heading “Voting of Proxies”, or by the shareholder personally attending the Meeting or any adjournment thereof and voting his or her Shares. Any revocation made or delivered at the Meeting or any adjournment thereof shall be valid only with respect to matters not yet dealt with at the time such revocation is received by the Chairman or the Scrutineer of the Meeting.

### VOTING OF PROXIES

All Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the management designees, if named as proxy, will vote IN FAVOUR of:**

- (i) **The election of Directors;**
- (ii) **The appointment of auditors;**
- (iii) **The ordinary resolution adopting, ratifying, and confirming the incentive stock option plan of the Company (the “Stock Option Plan”). The current plan is a 20% rolling plan as allowable pursuant to the policies of the Canadian Securities Exchange.**

**The enclosed form of proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the date of this Circular, the Company is not aware of any amendments to, or variations of, or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Company.**

Proxies, to be valid, must be deposited at the office of Computershare, Suite 300, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the Meeting or an adjournment of the Meeting.

### NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the common shares, such as securities dealers or brokers, banks, trust companies, and trustees, as administrators of self-administered RRSPs, RRIFs, RESPs, and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with NI 54-101, the Company has distributed copies of the notice of meeting and this Circular (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries, for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose. Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called a “**voting instruction form**”) 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 which the Intermediary must follow. The Non-Registered Holder will generally be given a page of instructions which contains a removable label containing a bar code and other information. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the computerized form, properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number, or
- (b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare, Suite 300, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

In either case, the purpose of these procedures is to permit the Non-Registered Holder to direct the voting of the common shares which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare at the address set out above.

**In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.**

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares, of which 126,034,444 shares are issued and outstanding and entitled to vote at the Meeting on the basis of one vote for each Share held.

The holders of Shares of record at the close of business on the record date, set by the Directors of the Company to be February 3, 2020 (the “**Record Date**”), are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held.

To the knowledge of the Directors and senior officers of the Corporation, as at the date hereof, No persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Shares of the Corporation. Information as to the number of Shares beneficially owned, directly or indirectly or over which control or direction is exercised by the persons noted is based upon information available to the Company as at February 5, 2020.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's Directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting relating to (i) the receipt of the financial statements; (ii) the election of Directors; (iii) the appointment of auditors; (iv) the approval of the Company's Stock Option Plan and (v) the adoption of a new set of articles of the Company.

### I. Presentation of the Audited Annual Financial Statements

The audited financial statements of the Company for the fiscal years ended May 31, 2019 together with the auditor's report thereon, will be presented to shareholders at the Meeting. The financial statements and the accompanying management's discussion and analyses are available on SEDAR at [www.sedar.com](http://www.sedar.com)

### II. Election of Directors

The board of Directors of the Company (the "**Board**") presently consists of five (5) Directors, all of whom are elected annually. All five (5) of these Directors will stand for re-election therefor, it is proposed that the number of Directors be fixed for the ensuing year at five (5) and the persons named below nominated at the Meeting. Each Director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the articles of the Company, unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA") or the Company's Articles of Incorporation. **It is the intention of the management designees, if named as proxy, to vote FOR the election of said persons to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as Directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of Directors.**

The following table sets out the names of persons proposed to be nominated by management for election as a Director; all positions and offices in the Company held by them; their principal occupation for the last five years; the periods during which they have served as a Director; and the number of Shares beneficially owned or controlled, directly or indirectly, by them or over which control or direction is exercised, as of the date hereof. Each Director elected will hold office until the next annual meeting of the Company, unless his office is earlier vacated in accordance with the Articles of Incorporation of the Company or becomes disqualified to act as a Director.

Name of Proposed Nominees, Municipality of Residence and Proposed Position with the Corporation	Director Since	Principal Occupation During Last Five Years	Number of Shares Beneficially Owned or Controlled
Jeff Wareham <sup>(1)</sup> Toronto, Ontario, Director	February 14, 2017	Jeff served in various roles with RBC and ScotiaMcLeod, before joining MGI Securities, where he was named Vice President, Private Client Group. He was then named Vice President Private Client Group at IA Securities, a role that he held until 2017. He is a director of Marquest Asset Management. Jeff was Vice President at IA securities until 2017, and appointed Director at Certive in 2017.	558,193 shares



<b>Name of Proposed Nominees, Municipality of Residence and Proposed Position with the Corporation</b>	<b>Director Since</b>	<b>Principal Occupation During Last Five Years</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
Scott Thomas <sup>(2)</sup> Tempe, Arizona, Director	March 2, 2018	Scott Thomas, is a seasoned Venture Capitalist and Private Investor with 25+ years of experience in the financial industry as a Broker, Trader, Market Maker, and Hedge Fund Manager. Prior to becoming Director, he has been serving as Vice President of Investor Relations for Certive Solutions. Prior to Certive Solutions, Scott was managing Director and Founder of Four Peaks Ventures, a Venture Capital firm with a focus on Small Cap Private and Public Companies in the Southwest. From 1996 to 1999 Scott was a Market Maker, Trader, and Portfolio Manager at Heritage West Securities.	704,500 Shares
Tom Marreel <sup>(2)(1)</sup> Chandler, AZ, Chief Executive Officer, Director	July 19, 2018	Tom Marreel is founder and CEO of Marreel Slater Insurance, a healthcare consulting and benefit brokerage company in Phoenix, Arizona. Prior to Marreel Slater Insurance, Tom worked for Schaller Anderson, Inc., a health management and consulting company based in Phoenix, Arizona. Tom became senior vice president of Schaller Anderson in 2000, assuming development and oversight of the commercial self-funded business sector.	10,767,587 Shares
Tim Hyland Scottsdale, AZ, Chief Financial Officer, Treasurer, Director	July 27, 2018	Timothy J Hyland is a principal and founder of Hyland Real Estate Investment Group, LLC and its subsidiaries, including Hyland Property Management Services, LLC (aka Hyland Management and Consulting Services). As such, Mr. Hyland has been a consultant serving on the Company's Advisory Council since its inception. In addition, Hyland has served in various volunteer roles at his alma mater, the University of Wisconsin – Whitewater, where he currently serves on the Chancellor's Advisory Circle, the CoBE Dean's Advisory Council, and is a Director on the UW-Whitewater Foundation Board and chairs its Investment Committee. Mr. Hyland also remains active in the Healthcare Financial Management Association.	6,270,329 Shares
Jack Saltich <sup>(1)(2)(3)</sup> Scottsdale, AZ Director	July 27, 2018	Jack Saltich is the Chair of the Company's Governance Committee, has more than 30 years of management and leadership expertise demonstrated at C - Level and Board positions of numerous innovative companies most notably in the Semiconductor and Display industries. Previously Jack served as a Board Member at the following public companies: Immersion, Atmel, Ramtron, Leadis, as well as President and CEO of Three Five Systems and Chairman and CEO of Vitex Systems. Jack also held executive positions at Motorola, VLSI Technology Applied Micro Circuits, and Advanced Micro Devices. Jack received his B.S. and M.S. degrees from the University of Illinois and completed his course work for his PhD at Arizona State University.	1,275,553 Shares,

Notes:

(1) Member or proposed member of the Audit Committee.

(2) Member or proposed member of the Governance, Nominations and Compensation Committee.

(3) Jack Saltich was previously a Director of the Company between Oct 20, 2012 and March 15, 2017.

**Management recommends voting for the resolution to elect the nominated Directors.**

As at the date hereof, the Directors and officers of the Company, as a group, beneficially owned, directly or indirectly, 22,647,591 Shares, or approximately 17.9% of the issued and outstanding Shares.

**Biographies of the Proposed Directors**

Tom Marreel, Chairman of the Board and CEO

Tom Marreel has been in senior leadership positions in health care and employee benefit companies for more than 30 years. Prior to becoming a Director, Tom served on the Company's Advisory Council. Most recently, Tom is founder and CEO of Marreel Slater Insurance, a health care consulting and benefit brokerage business in Phoenix, Arizona. Prior to Marreel Slater Insurance, Tom was a Senior VP – Business Development at Schaller Anderson, Inc., a Medicaid managed care company acquired by Aetna in 2008. From 1994 to 2000, Tom was a principal at Mercer, a prominent human capital consulting firm and part of the Marsh and McLennan family of companies. Prior to 1994, Tom was a senior health care consultant for The Segal Company in Phoenix, Arizona, where he spent more than eight years consulting to key large public and private sector employer groups. Tom has been actively involved with a number of Arizona-based healthcare organizations – providing capital investments, board leadership, strategic planning, and business development consulting services. Tom holds a BS degree in Marketing from Arizona State University.

Timothy Hyland, Director and CFO.

Timothy Hyland was serving on the Company's Advisory Council and as a M&A consultant to the Company when appointed to the Board of Directors in July 2018. His career included serving as a Senior VP & CFO of Schaller Anderson Inc., a Medicaid managed care company acquired by Aetna in 2008. He has been active in the Healthcare Financial Management Association ("HFMA"). After serving as the Arizona Chapter's President, he was appointed to a 3-year term as a National Director of HFMA. Tim received his BBA – Accounting Degree from the University of Wisconsin – Whitewater, started his career in the Auditing Department of Deloitte & Touche (formerly Deloitte Haskins & Sells) and is a Retired CPA in Arizona.

Jack Saltich, Director.

Jack Saltich is the Chair of the Company's Governance Committee, has more than 30 years of management and leadership expertise demonstrated at C - Level and Board positions of numerous innovative companies most notably in the Semiconductor and Display industries. Previously Jack served as a Board Member at the following public companies: Immersion, Atmel, Ramtron, Leadis, as well as President and CEO of Three Five Systems and Chairman and CEO of Vitex Systems. Jack also held executive positions at Motorola, VLSI Technology Applied Micro Circuits, and Advanced Micro Devices. Jack received his B.S. and M.S. degrees from the University of Illinois and completed his course work for his PhD at Arizona State University.

Scott Thomas, Director.

Scott Thomas is a seasoned Venture Capitalist and Private Investor with 25+ years of experience in the financial industry as a Broker, Trader, Market Maker, and Hedge Fund Manager. He has participated in numerous financings, IPO's, and exits. Scott is a seasoned business executive, with a wide range of experience financing and growing several public listed companies in diverse industries. He has held various Board and Advisory Board positions with startups, and Venture Companies, helping to position them for public markets, organic growth, or acquisition. Scott has a B.S. in Finance from the W.P. Carey School of Business at Arizona State University, and serves as a Mentor for the School of Innovation and Technology there at Skysong. He also participates as a member of Conscious Capitalism.

### Jeff Wareham, Director

Jeff Wareham is a graduate of the University of Western Ontario (1990) with a bachelor's degree in economics. Jeff has spent his career in Financial Services. He began with MetLife in 1990, eventually serving as Chief Agent for Nova Scotia. He then served in various roles with RBC and ScotiaMcLeod, before joining MGI Securities, where he was named Vice President, Private Client Group. He was then named Vice President Private Client Group at IA Securities, a role that he held until 2017. He is a director of Marquest Asset Management. Jeff was Vice President at IA securities until 2017, and appointed Director at Certive in 2017. He became a Director at Marquest Asset Management in 2018.

### *Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

Except as otherwise disclosed in this Circular, to the best of the Company's knowledge, none of the Company's Directors, officers, or shareholders holding a sufficient number of securities of the Company to materially affect the control of the Company is, or during the ten years preceding the date of this Circular, has been a Director or officer of any issuer that, while the person was acting in that capacity:

- a) was the subject of a cease trade order or similar order, or an order that denied such issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- b) 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.

### *Penalties or Sanctions*

To the best of the Company's knowledge, no Director, officer, or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### *Personal Bankruptcies*

Except as otherwise disclosed in this Circular, to the best of the Company's knowledge, during the ten years preceding the date of this Circular, no Director, officer, or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## **III. Appointment of Auditors**

The persons named in the enclosed form of proxy intend to vote for the appointment of Buckley Dodds LLP, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Company to hold office until the next annual meeting of shareholders and to authorize the Directors of the Company to fix the auditors' remuneration. Buckley Dodds LLP were first appointed auditors of the Company in 2011.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Company or any of its subsidiaries nor has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, Director, officer or employee.

**Management recommends voting for the resolution to appoint Buckley Dodds LLP, Chartered Professional Accountants, as the Company's auditors and to authorize the Board of Directors to fix their remuneration.**

#### **IV. Stock Option Plan**

At the Meeting and in recognition of contingent regulatory requirements, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution approving the Company's existing stock option plan as amended in January 2019 (the "Stock Option Plan"). The purpose of the Stock Option Plan is to allow the Company to grant options to Directors, officers, consultants, employees, and management company employees as additional compensation and as an opportunity to participate in the profitability of the Company. The granting of stock options is intended to align the interests of such persons with that of the Company. The Corporation's existing stock option plan was initially approved on August 7, 2015, approved at all subsequent annual shareholder meetings, and amended in January 2019. The following is a description of select material terms of the Stock Option Plan:

- (a) The Stock Option Plan will be administered by the Board of Directors of the Company or a committee established by the Board for that purpose;
- (b) The maximum number of shares that may be reserved for issuance under the Stock Option Plan will be a rolling number not to exceed 20% of the issued and outstanding common shares of the Company at the time of the stock option grant;
- (c) The exercise price of the options granted under the Stock Option Plan will be set by the Board of Directors, in accordance with Canadian Securities Exchange policy, at no less than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options;
- (d) The full purchase price of common shares purchased under the Stock Option Plan shall be paid in cash upon the exercise thereof;
- (e) Options may be granted under the Stock Option Plan exercisable over a period not exceeding ten years;
- (f) All employees, executive officers, Directors and consultants are eligible to be granted options under the Stock Option Plan;
- (g) Options covering not more than 10% of the issued shares of the Company may be granted to and exercised by any one individual in any 12 month period;
- (h) No more than 5% of the issued and outstanding shares may be granted to and exercised by any one consultant in any 12 month period and no more than an aggregate of 5% of the issued and outstanding shares may be granted to and exercised by an employee conducting investor relations activities in any 12 month period;

- (i) Options may be exercised while the optionee is a Director, officer, employee or consultant to the Company, or within a period of 90 days after ceasing to be so;
- (j) The Company has no plans to grant any financial assistance or other financial support to participants under the Stock Option Plan;
- (k) Notwithstanding paragraphs (i) and (m), an optionee's heirs or administrators shall have one year from the death of the optionee in which to exercise any portion of options outstanding at the time of death of the optionee;
- (l) Notwithstanding paragraph (i), options granted to an optionee who is engaged in investor relations activities expire 30 days after the optionee ceases to be employed to provide investor relations activities;
- (m) The options shall not be assignable or transferable by an optionee; and
- (n) The obligation of the Company to issue and deliver common shares under the Stock Option Plan will be subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Company.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution approving the adoption by the Corporation of its existing Stock Option Plan. A copy of the Stock Option Plan is attached hereto as Schedule "B". All votes attaching to outstanding common shares of the Company will be counted in determining whether security holder approval of the Stock Option Plan has been obtained.

The Board of Directors has unanimously approved the Stock Option Plan and recommends that shareholders vote FOR the following resolution to approve the Stock Option Plan:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Stock Option Plan, as described in the Company's Circular dated February 5, 2020, a copy of which is attached as Schedule "B" to the Circular, is hereby approved;
2. The number of common shares of the Company reserved for issuance under the Stock Option Plan shall be no more than 20% of the Company's issued and outstanding common shares from time to time; and
3. The Board of Directors of the Company be and is authorized to make any changes to the Stock Option Plan if required by any such stock exchange or market upon which the common shares of the Company may be listed from time to time."

The foregoing resolution must be approved by a simple majority of the votes of shareholders cast in person or by proxy at the Meeting.

**Other Matters**

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the notice of meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

For purposes of this Statement of Executive Compensation, “named executive officer” of the Company means an individual who, at any time during the year, was

- (a) The Company’s chief executive officer (“**CEO**”);
- (b) The Company’s chief financial officer (“**CFO**”);
- (c) Each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) Each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

each a “Named Executive Officer” (“**NEO**”).

Based on the foregoing definition, during the last completed fiscal year of the Company, there were several Named Executive Officers for the year ended May 31, 2019.

All matters relating specifically to senior executive compensation are reviewed and approved by the Board of Directors. The Board of Directors has a Governance, Nominations and Compensation Committee, which is chaired by Jack Saltich. The Board of Directors of the Company is responsible for determining compensation for the individual Directors and officers of the Company, including the Chief Executive Officer. Given the stage of development of the Company, it is not currently envisioned that any of the Directors will be paid Director’s fees with the possible exception of the Independent Directors. Rather, Directors will be granted incentive stock options to help ensure their continued interest in the ongoing business and affairs of the Company. The Board of Directors determines compensation for the officers of the Company, and any consulting or other agreements, to which the Company is a party, are reviewed on an annual basis.

The Company’s overall policy regarding compensation of the Company’s executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain qualified executive management and establish a compensation framework which is industry competitive. The Company’s policy is to recognize and reward individual performance as well as to place executive compensation within the range of the compensation levels in the industry.

The Company does not have a compensation program other than paying base salaries, incentive bonuses, and incentive stock options to the NEOs. The Company recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm’s length service providers.

### *Base Salary*

The objectives of the base salary are to recognize market pay, and acknowledge the competencies and skills of individuals. The base salary paid to the NEOs shall be reviewed annually by the Board of Directors as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board of Directors.

### *Incentive Bonuses*

The objectives of incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the most recently completed fiscal year.

### *Option Based Awards*

The Directors of the Company have adopted a Stock Option Plan, subject to shareholder approval. Under the Stock Option Plan, the maximum number of shares that may be reserved for issuance under the Stock Option Plan will be a rolling number, not to exceed 20% of the issued and outstanding common shares of the Company at the time of the stock option grant. The Stock Option Plan will be a "rolling" stock option plan.

<b>Compensation Source</b>	<b>Description of Compensation</b>	<b>Compensation Objectives</b>
Annual Base Salary (all NEOs)	Salary is market-competitive, fixed level of compensation	Retain qualified leaders, motivate strong business performance
Incentive Stock Option (all NEOs)	Equity grants are made in the form of stock options. The amount of grant will be dependent on individual and corporate performance	Retain qualified leaders, motivate strong business performance

## Summary Compensation Table

The following table summarizes the compensation paid to each NEO of the Company for the Company's financial years end to May 31, 2019 and May 31, 2018:

Name and Principal Position	Fiscal Year	Salary (\$)	Share based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan		Pension value (\$)	All other compensation <sup>(2)</sup> (\$)	Total compensation
					Annual incentive plans	Long term incentive plans			
Van Potter, Former President and Chief Executive Officer	2019 2018	N/A \$285,000	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A \$285,000
Brian Cameron, Former Chief Financial Officer	2019 2018	N/A \$285,000	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A \$285,000
Tom Marreel Chief Executive Officer	2019 2018	\$36,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$36,000 Nil
Tim Hyland Chief Financial Officer	2019 2018	\$90,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	22,333 Nil	\$112,333 Nil
Mike Miller, Corporate Secretary	2019 2018	\$132,000 \$240,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	11,337 Nil	\$143,337 \$240,000
Ann Fierro, President Omega Technology Solutions Inc	2019 2018	\$288,670 \$192,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$288,670 \$192,000

### Notes:

- (1) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.



## **Employment Contracts**

The Company has not entered into employment contracts with any of its employees which include, among other things, noncompetition, confidentiality, intellectual property and non-solicitation clauses.

## **Annual Base Salary**

Base salary for the NEOs is determined by the Board of Directors primarily by comparison of the remuneration paid by other companies with the same size and industry and with publicly available information on remuneration.

The annual base salary paid to the NEOs shall, for the purpose of establishing appropriate increases, be reviewed annually by the Board of Directors as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board of Directors.

## **Long Term Incentive Plan (LTIP)**

The Company does not have a formal or written LTIP in place, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities), was proposed to be paid or distributed to the Named Executive Officer during the year ended May 31, 2019.

## **Option Based Award**

An option based award is in the form of an incentive stock option plan. The objective of the incentive stock option is to reward NEOs, employees, consultants and Directors for their individual performance at the discretion of the Board of Directors.

Subject to shareholder approval, the Company will maintain a formal stock option plan, under which stock options will be granted and may be granted to purchase a number equal to 20% of the Company's issued capital from time to time.

The stock option plan will be administered by the Board of Directors and the process to grant option-based awards to executive officers will be within the discretion of the Directors.

All previous grants of option-based awards will be taken into account when considering new grants.

## **Incentive Plan Awards**

### *Outstanding share-based awards and option-based awards*

During the most recently completed fiscal year, additional options were granted to the Named Executive Officers.

The following table sets forth the options granted to the Named Executive Officers to purchase or acquire securities of the Company as at its financial year end of May 31, 2019.

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Van Potter, Former President and Chief Executive Officer	508,709 1,050,000	\$0.25 Cdn \$0.22 US	Dec. 31, 2020 Sept. 13, 2021	Nil	Nil	Nil
Tom Marreel Chief Executive Officer	800,000 500,000 250,000	\$0.25 Cdn \$0.05 Cdn \$0.05 Cdn	Dec. 31, 2020 Jan 29, 2029 Dec 24, 2029	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Tim Hyland Chief Financial Officer	200,000 1,000,000 500,000	\$0.25 Cdn \$0.05 Cdn \$0.05 Cdn	Dec. 31, 2020 Jan 29, 2029 Dec 24, 2029	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Ann Fierro, President Omega Technology Solutions Inc	400,000	\$0.05 Cdn	Jan 29, 2029	Nil	Nil	Nil
Mike Miller, Corporate Secretary	400,000	\$0.05 Cdn	Jan 29, 2029	Nil	Nil	Nil

#### Incentive plan awards – value vested or earned during the year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to any Named Executive Officer during the financial year ended May 31, 2019.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Tom Marreel Chief Executive Officer	Nil	Nil	Nil
Tim Hyland Chief Financial Officer	Nil	Nil	Nil
Mike Miller, Corporate Secretary	Nil	Nil	Nil

### Pension Plan Benefits

The Company does not provide retirement benefits for Directors and executive officers. No funds were set aside or accrued by the Company during the fiscal years ended May 31, 2019 to provide pension, retirement or similar benefits for the Company's Directors or officers pursuant to any existing plan provided or contributed to by the Company or its subsidiaries.

### Termination and Change of Control Benefits

The Company has no plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

### Director Compensation

The Company does not compensate its Directors in their capacities as such, although Directors of the Company will be reimbursed for their expenses incurred in connection with their services as Directors and may be issued stock options from time to time at the discretion of the Board. It is anticipated that the Company will implement a compensation plan for its Directors shortly, which will be consistent with industry standards. The compensation given to Directors for the year ended May 31, 2019 is as follows:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation <sup>(2)</sup>	Total (\$)
Jeff Wareham <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Thomas	\$36,000	Nil	Nil	Nil	Nil	Nil	\$36,000
Jack Saltich	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The dollar value ascribed to option grants represents non-cash consideration and has been estimated using the Black Scholes Model as at the date of grant.

(2) Other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for the named Director.

(3) Mr. Jeff Wareham was appointed as a Director of the Company on February 14, 2017.

(4) Tom Marreel and Tim Hyland are also directors and their compensation is disclosed on page 16 under the NEO section

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

### **Aggregate Indebtedness**

Other than disclosed herein, other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 Information Circular (“**Form 52-102F5**”), no Directors, executive officers and employees and no former Directors, executive officers and employees of the Company is, or was, indebted to the Company or any of its subsidiaries in connection with a purchase of securities and all other indebtedness as at February 5, 2020.

### **Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs**

Other than disclosed herein, other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no Directors or executive officers of the Company, proposed nominees for election as a Director of the Company and associates of such Director, executive officers or proposed nominees is or was indebted to the Company or any of its subsidiaries as at February 5, 2020.

### **Directors' and Officers' Liability Insurance**

Effective January 17, 2020, the Company has Directors' and officers' liability insurance in place for the benefit of the Directors and officers of the Company, as set out in the following summary.

Insurer: Axa XL Insurance Company

Policy Period – January 17, 2020 – January 17, 2021

Limit of Liability - \$5,000,000

Aggregate - \$5,000,000

Defense costs included in limits – yes

## **AUDIT COMMITTEE**

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board of Directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

On September 29, 2012, the Audit Committee adopted a charter delineating its responsibilities substantially in the following terms:

- (i) review with the independent accountants the scope of the audit and the results of the annual audit examination by the independent accountants and any reports of the independent accountants with respect to reviews of interim financial statements or other audit, review or attest services. The Audit Committee will be responsible for resolving any disagreements between management and the external auditor regarding financial reporting;
- (ii) review information, including written statements from the independent accountants, concerning any relationships between the auditors and the Corporation or any other relationships that may adversely affect the independence of the auditors and assess the independence of the outside auditor;

- (iii) review and discuss with management and the independent auditors the Corporation's annual audited financial statements prior to their public disclosure, including a discussion with the auditors of their judgments as to the quality of the Corporation's accounting principles;
- (iv) review the Corporation's MD&A and annual and interim earnings press releases prior to their public disclosure;
- (v) review the services to be provided by the independent auditors to assure that the independent auditors do not undertake any engagement for services for the Corporation that would constitute prohibited services under applicable securities laws under the rules of any stock exchange or trading market on which the Shares are listed for trading, or could be viewed as compromising the auditor's independence. The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries;
- (vi) review with management and the independent auditors the results of any significant matters identified as a result of the independent auditors' interim review procedures prior to the filing of each quarterly financial statements or as soon thereafter as possible;
- (vii) review the annual program for the Corporation's internal audits, if any, and review audit reports submitted by the internal auditing staff, if any;
- (viii) periodically review the adequacy of the Corporation's internal controls;
- (ix) review changes in the accounting policies of the Corporation and accounting and financial reporting proposals that are provided by the independent accountants that may have a significant impact on the Corporation's financial reports, and make comments on the foregoing to the Board;
- (x) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
- (xi) oversee and review annually the Corporation's Code of Business Conduct and Ethics (the "Code") and program for compliance with the Code;
- (xii) periodically review the adequacy of the Audit Committee Charter;
- (xiii) make reports and recommendations to the Board within the scope of its functions;
- (xiv) approve material contracts where the Board determines that it has a conflict;
- (xv) establish procedures for receipt, retention and treatment of complaints received by the Corporation regarding auditing, internal accounting controls or accounting matters and establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (xvi) where considered necessary by the Audit Committee to carry out its duties, have the authority to engage independent counsel and/or other advisors at the Corporation's expense upon the terms and conditions, including compensation, determined by the Audit Committee;

- (xvii) satisfy itself that management put into place procedures that facilitate compliance with the disclosure and financial reporting controls provisions of applicable securities laws, including adequate procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements. The Audit Committee will assess the adequacy of these procedures annually;
- (xviii) review all loans to officers;
- (xix) review and monitor all related party transactions which may be entered into by the Corporation as required by rules of the stock exchange or trading market upon which the Corporation's shares are listed for trading; and
- (xx) ensure all public disclosure regarding the Audit Committee is made in compliance with applicable stock exchange rules and securities legislation.

### **Composition of the Audit Committee**

At present, the Company proposes that the Audit Committee consists of Jeff Wareham, who will chair the Audit Committee, Jack Saltich, and Tom Marreel, Chairman and CEO of the Company. With the exception of Tom Marreel, all members of the Audit Committee are independent within the meaning of that term as defined in Section 1.4 of National Instrument 52-110 *Audit Committee* ("NI 52-110"). All members of the Audit Committee are financially literate as required by Part 1.6 of NI 52-110.

### **Relevant Education and Experience**

The education of each of the members of the Audit Committee is set out in this Circular. More specifically, some of the members of the Audit Committee have also taken accounting courses directly relating to financial statement preparation and analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience preparing, auditing, analyzing or evaluating financial statements similar to those of the Company.

### **Audit Committee Oversight**

At no time from the commencement of the years ended May 31, 2019 and May 31, 2018, were any recommendations of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

The Company has not relied on any exemptions under section 2.4 *De Minimis Non-audit Services* of NI 52-110 or from Form 52-110F2 *Disclosure by Venture Issuer*, in whole or in part, granted under Part 8 of NI 52-110, during the financial year ended May 31, 2019.

### **Pre-Approval Policies and Procedures**

As of the date hereof, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Services Fees (By Category)

The following table sets out the “audit fees”, “audit-related fees”, “tax fees” and “other fees” billed in the financial years ended May 31, 2019 and May 31, 2018.

	<b>Audit Fees and Audit Related Fees</b>	<b>Tax Fees</b>	<b>Other Fees</b>
For the year ended May 31, 2019	\$41,000	\$4,300	\$15,345
For the year ended May 31, 2018	\$43,600	\$5,318	\$16,533

### Exemption

The Company is relying upon the exemption set out in section 6.1 of NI 52-110 that provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

## CORPORATE GOVERNANCE

### General

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which came into force on June 30, 2005, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Company, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Company's required annual disclosure of its corporate governance practices.

### Board of Directors

#### *Composition of the Board*

NI 58-101, when taken with Section 1.4 of National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member is “independent” if the member has no direct or indirect material relationship with the issuer, a “material relationship” being one which could, in the view of the Company’s Board of Directors, reasonably interfere with the exercise of a member’s independent judgment. To facilitate independence, the Company is committed to the following practices:

- 1) To expand the Board’s composition through the recruitment of strong, independent Directors;
- 2) To maintain a majority of independent Directors on the Board;
- 3) To ensure that all committees of the Board are constituted of a majority of independent Directors, and solely independent Directors, if possible.

The Company has determined that the following individuals are independent within the meaning of NI 58-101 and NI 52-110:

Jeff Wareham – Independent Director  
 Jack Saltich – Independent Director

The Company has determined that the following individuals are not independent based on the guidelines set forth in NI 58-101 and NI 52-110:

Tom Marreel – Not independent as a result of his position as the Chief Executive Officer of the Company.

Tim Hyland – Not independent as a result of his position as the Chief Financial Officer of the Company.

Scott Thomas – Not independent as a result of his position as the Vice President of Investor Relations of the Company.

### Directorships

The following table sets forth a list of Directors, officers and promoters who are, or have been within the past three years, a Director, officer or promoter of any other reporting issuer, which table includes the number of other issuers of which the individual is currently a Director, officer or promoter and the names of the reporting issuers with which the individual was involved in the past five years, including the names, markets upon which they trade, and the approximate start and end dates for each:

Director	Name of Reporting Issuer	Name of Exchange or Market	Position	Duration	Committee Appointments
Jack Saltich	Atmel (ATML)	NASDAQ	Director	2007 – 2016	Not applicable
Jack Saltich	Immersion (IMMR)	NASDAQ	Director	2002 - 2018	Not applicable
Jack Saltich	Canadian Data Preserve Inc.	Canadian Securities Exchange	Director	2012 - 2017	Not applicable

### Orientation and Continuing Education of Board Members

If any new Directors are appointed to the Board of Directors, then the existing Directors will provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Company, as well as the general nature and proceedings of the Board. The existing Board will also require the Company’s legal counsel to provide a summary of the new Director’s duties and responsibilities as a member of the Board of Directors. Given the direct securities industry experience of the existing Board of Directors, the Company does not contemplate providing continuing education for Directors at this time.



## **Measures to Encourage Ethical Business Conduct**

Pursuant to the *Business Corporations Act* (British Columbia), each of the Directors of the Corporation is required to disclose any conflict of interest that any one of them may have in regard to any dealings with the Corporation. Each of the existing members of the Board has worked together in the past, either by being a Director or officer of other reporting issuers. In the past, the Board has had discussions and meetings about the importance of full disclosure in regard to the business and affairs of a reporting issuer. Given the experience of the Board, and their prior dealings, the Corporation, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

## **Nomination of Board Members**

The Company does not have in place a formal process to identify new candidates for Board nomination or a person responsible for identifying new candidates or that is in the process of identifying new candidates. Given the direct securities experience of the existing Board of Directors, each Director will utilize his own judgment in determining whether or not to put forth a person as a candidate for the Board of Directors of the Company and the appropriate forum for carrying out this task.

## **Compensation**

The Board of Directors of the Company is responsible for determining compensation, including compensation for the individual Directors and officers of the Company, such as the Chief Executive Officer. Given the stage of development of the Company, it is not currently envisioned that any of the Directors will be paid Director's fees, except possibly for the Independent Directors. Rather, Directors will be granted stock options to help ensure their continued interest in the ongoing business and affairs of the Company. The Board of Directors determines compensation for the officers of the Company, and any consulting or other agreements, to which the Company is a party, are reviewed on an annual basis.

## **Board Committees**

At this time, the Board of Directors has two standing committees, the Audit Committee and the Governance, Nominations and Compensation Committee.

## **Assessments**

Given the current stage of development of the Company, the Company does not yet have any formal policies or procedures in place to help ensure that the Board, its committees, if any, and its individual Directors are performing effectively. In the event that the business of the Company increases in size and scale, then the Board of Directors will determine whether it is appropriate to engage an outside consulting firm to make recommendations regarding the foregoing. Certain of the members of the Board of Directors have a direct financial interest in the Company, by virtue of being shareholders of the Company.

## **INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Circular, the management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a Director or executive officer at any time since the beginning of the Company's last financial year or any proposed nominee for election as a Director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of Directors or the appointment of auditors. All of the Directors and officers may receive options pursuant to the Stock Option Plan of the Company.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed in this Circular, neither the Company, nor any Director or officer of the Company, nor any insider of the Company, nor any proposed nominee for election as a Director of the Company, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the Company's last completed financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Company, except for any interest arising from the ownership of Shares where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all shareholders.

## **OTHER MATTERS TO BE ACTED UPON**

There are no other matters to be considered at the Meeting which are known to the Directors or senior officers of the Company at this time. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting, and other matters which may properly come before the Meeting or any adjournment thereof.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com). Financial information regarding the Company is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders of the Company may contact the Company at 1140-1185 Georgia Street, Vancouver, BC, V6E 4E6, to request copies of the Company's financial statements and management's discussion and analyses.

## **GENERAL**

All matters referred to herein for approval by the shareholders require a majority of the shareholders voting, in person or by proxy, at the Meeting.

There are no other material facts other than as disclosed in this Circular.

## **BOARD APPROVAL**

The Board of Directors of the Company has approved the contents and the delivery of the Circular to its shareholders.

DATED at Vancouver, British Columbia, this 5<sup>th</sup> day of February , 2020.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

(signed) *"Tom Marreel"* \_\_\_\_\_

Chief Executive Officer

**SCHEDULE "A"**

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**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS  
OF CERTIVE SOLUTIONS INC. (the "Company")**

**1. Purpose**

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
- (a) support the Board of Directors in meeting its responsibilities to shareholders;
  - (b) enhance the independence of the external auditor;
  - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
  - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

**2. Membership**

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

**3. Authority**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
  - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.
  - (c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

#### 4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures for:
  - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
  - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

- (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
  - (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.
- 4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

## **5. Meetings**

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.
- 5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

## **6. Reports**

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

## **7. Minutes**

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

## **SCHEDULE "B"**

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### **Stock Option Plan Certive Solutions Inc.**

#### **1. The Plan**

A stock option plan (the "Plan") pursuant to which options to purchase common shares, or such other shares as may be substituted therefor ("Shares"), in the capital stock of Certive Solutions Inc. (the "Corporation") may be granted to the directors, officers and employees of, and to consultants retained by, the Corporation or any of its subsidiaries or affiliates is hereby established on the terms and conditions herein set forth.

#### **2. Purpose**

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of, and consultants retained by, the Corporation or any of its subsidiaries or affiliates to acquire Shares, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally, (iii) encouraging such persons to remain associated with the Corporation or any of its subsidiaries or affiliates, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation or any of its subsidiaries or affiliates.

#### **3. Administration**

- (a) This Plan shall be administered by the board of directors of the Corporation (the "Board").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as hereinafter defined), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder, (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.
- (d) Options to purchase the Shares granted hereunder ("Options") shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve. Initially, the form of agreement shall be in the form attached hereto as Exhibit "A", subject to such changes and amendments to the terms and conditions thereof as the Board or the President may approve from time to time, with execution of an option agreement by an officer of the Corporation to constitute conclusive evidence as to the approval of all such terms and conditions.

#### **4. Shares Subject to Plan**

- (a) Subject to Section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares. Whenever used herein, the term “Shares” shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.
- (b) The aggregate number of Shares reserved for issuance under this Plan shall be equal to 20% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

#### **5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

#### **6. Eligibility and Participation**

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
  - (i) directors of the Corporation or any of its subsidiaries or affiliates;
  - (ii) officers of the Corporation or any of its subsidiaries or affiliates;
  - (iii) employees of the Corporation or any of its subsidiaries or affiliates; and
  - (iv) consultants retained by the Corporation or any of its subsidiaries or affiliates, provided such consultants have performed and/or continue to perform services for the Corporation or any of its subsidiaries or affiliates on an ongoing basis or are expected to provide a service of value to the Corporation or any of its subsidiaries or affiliates; (any such person having been selected for participation in this Plan by the Board is herein referred to as a “Participant”).
- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.
- (c) Options will not be granted to an officer, employee or consultant of the Corporation, unless such Participant is a bona fide officer, employee or consultant of the Corporation.

## **7. Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. In addition, the exercise price of an Option must be paid in cash. Shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected Participant is an insider (as defined in the *Securities Act* (British Columbia)) of the Corporation at the time of the proposed amendment.

## **8. Number of Optioned Shares**

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) the aggregate number of Shares reserved for issuance under this Plan, together with any other security based compensation arrangement of the Corporation, shall not, at the time of grant, exceed 20% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold;
- (b) the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period (and, in the case of consultants and persons retained to perform investor relation activities, shall not exceed 5% in any 12 month period) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold; and
- (c) the Corporation shall obtain shareholder approval for grants of Options to insiders (as defined in the *Securities Act* (British Columbia)), of a number of Options exceeding 20% of the issued Shares, within any 12 month period.

## **9. Term**

The period during which an Option may be exercised (the "Option Period") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, and subject to Sections 11, 12 and 16 below, provided that:

- (a) Option shall be exercisable for a period not to exceed 10 years from the date the Option is granted;
- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part; and
- (d) any Options granted to any Participant must expire within 90 days after the Participant ceases to be a Participant, and immediately for any Participant engaged in investor relation activities after such Participant ceases to be employed to provide investor relation activities.



## **10. Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or the Participant's legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Vancouver, British Columbia:
  - (i) a written notice expressing the intention of such Participant (or the Participant's legal, personal representative) to exercise the Participant's Option and specifying the number of Shares in respect of which the Option is exercised; and
  - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or the Participant's legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or the Participant's legal, personal representative) shall have then paid for.
- (e) Notwithstanding anything else contained herein, at or after the time that any Option could be exercised by a Participant, the Participant may elect to surrender, in whole or in part, his or her rights under any Option by written notice given to the Corporation stating that such Participant wishes to surrender his or her Option in exchange for a payment by the Corporation of a cash amount per Optioned Share equal to the difference between the exercise price of the Option and the closing price of the Shares on the stock exchange on which the Shares are then listed. The Board has the sole discretion to consent to or disapprove of the election of the Participant to receive cash pursuant to this Section 10(e). If the Board disapproves of the election, the Participant may (i) exercise the Option under Section 10(c) or (ii) retract the request to exercise such Option.

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

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates for any reason other than death or permanent disability of the Participant, the Option granted to the Participant will terminate at 5:00 p.m. (Vancouver time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation as the case may be, and ceases to actively perform services for the Corporation.

An Option granted to a Participant who performs Investor Relations services on behalf of the Corporation shall terminate on the date of termination of the employment or cessation of services being provided and shall be subject to exchange policies and procedures for the termination of Options for Investor Relations services. For greater certainty, the termination of any Options held by the Participant, and the period during which the Participant may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates.

If the engagement of the Optionee as a Director, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Employee or Consultant by reason of termination for cause.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be.

## **12. Death and Permanent Disability of a Participant**

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, in the event of the death or permanent disability of a Participant, any Option previously granted to the Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.

## **13. Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

## **14. Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

## **15. Adjustments**

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.

- (b) Adjustments under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

## **16. Change of Control**

Notwithstanding the provisions of section 10, or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise in whole or in part the Options granted to such Participant hereunder either during the term of the Option or within 90 days after the date of sale or change of control, whichever first occurs.

For the purpose of this Plan change of control of the Corporation means and shall be deemed to have occurred if and when:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate of more than 35% of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the Shares of the Corporation; or
- (b) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation or merger), by a person (or two or more persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of the beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 35% of the combined voting rights of the Corporation's then outstanding Shares, inclusive of the Shares that would be outstanding on the full exercise of all rights to Shares that would be outstanding on the full exercise of the rights to Shares; or
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement as that which existed prior to the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest, for or an item of business relating to the election of directors shall not constitute a majority of the Board following such election.

## **17. Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferrable and non-assignable unless specifically provided herein. During the lifetime of a Participant any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

## **18. Amendment and Termination of Plan**

The Board may, at any time, suspend or terminate this Plan. The Board may also at any time amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals provided that no such amendment or revision shall alter the terms of any Options theretofore granted under this Plan.

## **19. Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

## **20. Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

## **21. Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

## **22. Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Burnaby, British Columbia, Attention: The President; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

## **23. Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

**Exhibit "A"**

**Without prior written approval of the Canadian Securities Exchange, the TSX Venture Exchange, or such other recognized stock exchange or quotation system as the outstanding common shares are then traded and compliance with all applicable securities legislation, the securities represented by this certificate, and the securities issuable on exercise of these securities, may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Canadian Securities Exchange, the TSX Venture Exchange, or such other recognized stock exchange or quotation system as the outstanding common shares are then traded or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is four months and one day after the date of grant of the option].**

**OPTION AGREEMENT**

This Agreement dated the \_\_\_ day of \_\_\_\_\_, 20 \_\_,

B E T W E E N:

**CERTIVE SOLUTIONS INC.**, a corporation  
incorporated under the laws of the Province of British  
Columbia (hereinafter called the "Corporation"),

- and -

\_\_\_\_\_, of the City  
of \_\_\_\_\_, in the Province/State  
of \_\_\_\_\_ (hereinafter called the  
"Participant")

WHEREAS the Participant is a director, officer, employee of, or consultant retained by, the Corporation or any of its subsidiaries or affiliates and has been designated by the Corporation as eligible to participate in the Certive Solutions Inc. Stock Option Plan (the "Plan");

AND WHEREAS the Corporation desires to grant to the Participant an option to purchase common shares of the Corporation (the "Shares") in accordance with the terms of the Plan;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The Corporation hereby grants to the Participant an irrevocable option (the "Option") to purchase all or any part of \_\_\_\_\_ Shares at a price of \$ \_\_\_\_\_ per share, subject to the terms and conditions set forth herein.
2. The Option expires and terminates at 5:00 p.m. (Vancouver time) on the day (the "Expiry Date") that is the earlier of (i) the 10th anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.

3. Subject to the more specific provisions of the Stock Option Plan, the Shares optioned under this Agreement shall vest as to one-third (1/3) on each of the first three anniversaries of the date hereof, such that the Option shall vest for the following number of Shares on the following dates:

<b>[1/3 of # of Shares]</b>	<b>[date that is 1 year from date of grant]</b>
<b>[1/3 of # of Shares]</b>	<b>[date that is 2 years from date of grant]</b>
<b>[1/3 of # of Shares]</b>	<b>[date that is 3 years from date of grant]</b>

(the above vesting is an example and actual vesting terms will be determined by management)

4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates. The Participant (or the Participant's legal or personal representative) may exercise the Option by delivering to the Corporation, at its principal office in Vancouver, British Columbia:
- (a) a written notice expressing the intention to exercise the Option and specifying the number of Shares in respect of which the Option is exercised;
  - (b) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised; and
  - (c) in the event that the Option is exercised in accordance with this Agreement by persons other than the Participant, proof satisfactory to the Corporation of the right of such persons to exercise the Option.

Notwithstanding anything else contained herein, at or after the time that any Option could be exercised by a Participant, the Participant may elect to surrender, in whole or in part, his or her rights under any Option by written notice given to the Corporation stating that such Participant wishes to surrender his or her Option in exchange for a payment by the Corporation of a cash amount per Option equal to the difference between the exercise price of the Option and the closing price of the Shares on the stock exchange on which the Shares are then listed. The Board of Directors of the Corporation has the sole discretion to consent to or disapprove of the election of the Participant to receive cash pursuant hereto. If the Board disapproves of the election, the Participant may (i) exercise the Option under Section 4(a), (b) and (c) or (ii) retract the request to exercise such Option

5. Upon the exercise of the Option as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the Participant (or the Participant's legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or the Participant's legal, personal representative) shall have then paid for.
6. The Option granted herein shall expire and terminate at 5:00 p.m. (Vancouver time) on the day that is the earlier of the (i) 90th day after the date the Participant ceases to be a director, officer, employee or consultant of the Corporation and (ii) the 10th anniversary of the date hereof except:
- (a) If the Participant shall cease to be a director, officer, employee or consultant of the Corporation for cause, the Option immediately expires; and

- (b) If the Participant shall cease to be a director, officer, employee or consultant of the Corporation for death or permanent disability, then the provisions of Section 7 below are operable.
7. In the event of the death or permanent disability of the Participant, the Option shall be exercisable until 5:00 p.m. (Vancouver time) on the day that is the earlier of (i) 12 months after the date of death or permanent disability of the Participant and (ii) the 10th anniversary of the date hereof, and then, only:
- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
  - (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.
8. The Participant acknowledges and agrees that neither the selection of the Participant as a Participant under the Plan nor the granting of the Option hereunder shall: (i) confer upon the Participant any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation in the event of the termination of the employment of the Participant with the Corporation or any of its subsidiaries or affiliates for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
9. The Participant shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of the Option until such Shares have been paid for in full and issued to the Participant.
10. The number of Shares deliverable upon the exercise of the Option shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation prior to the Expiry Date, without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Option and to prevent its dilution or enlargement. Adjustments under this Section 10 shall be made by the board of directors of the Corporation (or by such committee or persons as may be delegated such authority pursuant to the Plan), whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued on any such adjustment.
11. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferrable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of the death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

12. The Participant acknowledges and agrees that the Board may, at any time, suspend or terminate the Plan. The Board may also at any time amend or revise the terms of the Plan, provided that no such amendment or revision shall alter the terms of the Option granted herein.
13. The obligation of the Corporation to issue and deliver Shares on the exercise of the Option in accordance with the terms and conditions of this Agreement is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to the Participant upon the exercise of the Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of the Option will be returned to the Participant as soon as practicable.
14. The Participant acknowledges to have read and understood the Plan and the Participant and the Corporation agree that all provisions thereof apply to the parties hereto and to this Agreement with the same effect as if such provisions were set out in this Agreement.
15. Time shall be of the essence of this Agreement.
16. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

**CERTIVE SOLUTIONS INC.**

Per:

\_\_\_\_\_

SIGNED, SEALED AND DELIVERED

in the presence of:

\_\_\_\_\_

Witness

\_\_\_\_\_

Participant