

NERDS ON SITE INC.

**Notice of Meeting
and
Information Circular**

in respect of an

ANNUAL MEETING OF SHAREHOLDERS

**to be held on February 10, 2020 at 11:00 a.m. (Ontario time)
at Four Points Sheraton, 1150 Wellington Road South, London, ON**

January 8, 2020

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that an Annual Meeting of the shareholders (the "Meeting") of Nerds On Site Inc. (the "Corporation") will be held February 10, 2020 at 11:00 a.m. (Ontario time) for the following purposes:

- 1 To receive the Financial Statements of the Corporation for the year ended May 31, 2019 together with the report of the auditors thereon.
- 2 To elect directors of the Corporation for the ensuing year, as described in the Information Circular accompanying this Notice.
- 3 To appoint auditors of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditors' remuneration, as described in the Information Circular accompanying this Notice.
- 4 To consider and, if thought fit, to pass an ordinary resolution approving the Corporation's stock option plan, as described in the Information Circular accompanying this Notice.
- 5 To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please date and sign the form of proxy delivered to you by the Corporation and deliver or mail it in the enclosed envelope to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department. Alternatively, you may send your proxy via fax: (416) 595-9593 or you may vote by internet using the 12 digit control number located at the bottom of your proxy at www.voteproxyonline.com. All instructions are listed in the enclosed form of proxy. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received at the aforesaid address no later than 11:30 a.m. (EST) on February 7, 2020 or, if the Meeting is adjourned, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment thereof.

If you are an unregistered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form provided in accordance with the instructions provided therein.

Only registered shareholders as at January 6, 2020 and their duly appointed proxyholders will be entitled to vote at the Meeting

DATED at London, Ontario this 8th day of January, 2020.

By Order of the Board of Directors

(signed) Charles Regan

Charles Regan
Chief Executive Officer

NERDS ON SITE INC.

INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF NERDS ON SITE INC. (the "Corporation" or "Nerds") for use at the Annual Meeting of the shareholders of the Corporation (the "Meeting") to be held on February 10, 2020 at 11:00 a.m. (EST) at the place and for the purposes set out in the accompanying Notice of Meeting. As a shareholder you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are a *registered shareholder* and unable to attend personally, you are requested to date, complete and sign the accompanying instrument of proxy enclosed herewith and return the same to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, facsimile (416) 595-9593. If you are an *unregistered shareholder* and receive these materials through your broker or through another intermediary, please complete and return the instrument of proxy or voting instruction form in accordance with the instructions provided therein.

The solicitation of proxies is intended to be primarily by mail but may also be made by telephone, facsimile transmission or other electronic means of communication or in person by the directors and officers of the Corporation. The cost of such solicitation will be borne by the Corporation. Except where otherwise stated, the information contained herein is given as of January 6, 2020.

GENERAL

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are officers and directors of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT SUCH SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** Such a shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and instruct the nominee on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or the shareholder's attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of proxy is delivered to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, facsimile (416) 595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof. The Chairman of the Meeting has the authority to accept late or incomplete proxies in his sole and unfettered discretion.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it at any time before it is exercised, by instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the enclosed form of proxy have indicated their willingness to represent, as proxyholders, the shareholders who appoint them. Each shareholder may instruct its proxyholder how to vote the shareholder's shares by completing the form of proxy.

Shares represented by properly executed proxy forms in favour of the persons designated in the enclosed proxy form will be voted or withheld from voting on any poll in accordance with instructions made on the proxy forms and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's shares shall be voted accordingly. In the absence of such instructions, such shares **WILL BE VOTED IN FAVOUR OF ALL MATTERS IDENTIFIED IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not own shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of subordinate voting shares ("Common Shares") can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., a wholly-owned subsidiary of The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is similar to the form of proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("BFSI"). BFSI typically asks Beneficial Shareholders to return proxy or voting instruction forms to BFSI. BFSI then tabulates the results of all instructions received and provides appropriate instructions respecting voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a BFSI proxy or voting instruction form cannot use that proxy or voting instruction form to vote Common Shares directly at the Meeting - the BFSI proxy or voting instruction form must be returned to BFSI well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of a broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own name in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Record Date, Voting Shares and Principal Holders Thereof

The Corporation has set the close of business on January 6, 2020 as the record date for the Meeting. The Corporation will prepare a list of shareholders of record at such time. Holders of Common Shares of the Corporation named on that list will be entitled to vote the Common Shares then registered in their name at the Meeting.

As at January 6, 2020, the Corporation's issued and outstanding voting shares consisted of 86,213,056 Common Shares. Holders of Common Shares are entitled to one vote for each Common Share held on all matters to be considered and acted upon at the Meeting or any adjournment thereof.

On January 27, 2015, the Company issued a total of 1,000,000 shares of Class B Preferred shares to the three founding shareholders, Charles Regan, John Harbarenko and David Redekop. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were \$nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends and do not provide assets rights in the event of a liquidation of the Company.

To the knowledge of the directors and executive officers of the Corporation, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than NOS Holdings Ltd., which holds 38,292,339 (44.4%) Common Shares. NOS Holdings Ltd. is owned 25% by David Redekop, 21.8 % by John Harbarenko and 53.2% by Charles Regan, who also holds 477,402 (5%) Common Shares personally,

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the Corporation's philosophy, objectives and processes regarding compensation for the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") (each a "Named Executive Officer" or a "NEO" and collectively, the "Named Executive Officers" or "NEOs"). It explains how decisions regarding executive compensation are made and the reasoning behind these decisions and discusses the key elements of the Corporation's compensation program.

For the period ending May 31, 2019, the Corporation had the following Named Executive Officers:

- Charles Regan (CEO); and
- Rakesh Malhotra (CFO).

Hedging Activities

Although the Corporation has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities

granted as compensation or held, directly or indirectly, by such individuals, to the Corporation's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Common Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the Option Plan limits the number of options a particular NEO is entitled to receive.

Summary Compensation Table

The following table sets forth information respecting the total compensation paid to the Named Executive Officers for the last three fiscal years:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽²⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Charles Regan (CEO)	2019	93,152	-	33,062	-	-	-	-	126,214
Charles Regan (CEO)	2018	99,018	-	-	-	-	-	-	99,018
Charles Regan (CEO)	2017	-	-	-	-	-	-	-	-
Rakesh Malhotra (CFO)	2019	62,800	-	-	-	-	-	-	62,800
Rakesh Malhotra (1) (CFO)	2018	12,720	-	-	-	-	-	-	12,720

Notes:

(1) Mr. Malhotra became the CFO in December 2017.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

As at May 31, 2019, the following stock options were outstanding to the Named Executive Officers pursuant to the Option Plan (see "Description of the Option Plan" below).

Name	Grant Date	Option Based Awards				Share-Based Awards ⁽³⁾		
		Number of Common Shares Underlying unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of Vested Share-based Awards not paid out or distributed
Charles Regan	April 25, 2019	350,000	0.42	April 24, 2021	33,062	-	--	

Notes:

- (1) Options expire five years from the date of grant.
- (2) The Black-Scholes option pricing model was used to determine the fair value of these options using the following assumptions: Expected dividend yield of 0%; risk free interest rate of 1.550%; expected volatility of 100%; expected life of 2 years; and share price of \$0.25

Value of Vested or Earned Option-Based Awards or Share-Based Awards During the Year

The following table sets forth information with respect to the value of awards granted to Named Executive Officers pursuant to the Option Plan that vested during the year ended May 31, 2019 and bonuses paid to Named Executive Officers in respect of achievements attained over the same period.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Charles Regan (CEO)	\$0	-	-

Notes:

- (1) The values noted represent the value that would have been realized by the NEO if options had been exercised on the vesting date. Where the share price on the vesting date was lower than the exercise price of the grant, a nil value is noted. Value vested is calculated by subtracting the exercise price of the option from the closing price of the Common Shares on the Exchange and multiplying that amount by the number of Common Shares underlying the options. None of the option-based awards vested during 2018 have been exercised by the NEOs. The value of these awards, based on a closing price of the Common Shares on the Exchange on May 31, 2019 is \$0.

Executive Employment Agreements

There are no executive employment agreements in place.

Director Compensation

Director compensation for the Corporation's financial year ended May 31, 2019 was comprised of directors' fees for \$107,614 and option-based awards

Outstanding Share-Based Awards and Option-Based Awards

As at May 31, 2019, the following awards were made to the directors pursuant to the Option Plan.

Name	Grant Date	Option Based Awards				Share-Based Awards ⁽³⁾		
		Number of Common Shares Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of Vested Share-based Awards not paid out or distributed
David Redekop	April 25, 2019	350,000	0.42	April 24, 2021	33,062			
John Harbarenko	April 25, 2019	350,000	0.42	April 24, 2021	33,062			
Eugene Konaryev	April 25, 2019	350,000	0.42	April 24, 2021	33,062			
Kevin Ernst	April 25, 2019	350,000	0.42	April 24, 2021	33,062			
Nicole Holden	April 25, 2019	350,000	0.42	April 24, 2021	33,062			
Jack Smit	April 25, 2019	350,000	0.42	April 24, 2021	33,062			

Notes:

(1) Options expire two years from the date of grant and vest on the day of grant.

(2) The Black-Scholes option pricing model was used to determine the fair value of these options using the following assumptions: Expected dividend yield of 0%; risk free interest rate of 1.550%; expected volatility of 100%; expected life of 2 years; and share price of \$0.25

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under equity compensation plans of the Corporation as of May 31, 2019.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in the first column) ⁽¹⁾
Equity compensation plans approved by securityholders	2,450,000	0.42	6,171,305
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	2,450,000	0.42	6,171,305

Note:

(1) Based on the number of Common Shares outstanding on May 31, 2019.

INTEREST OF MANAGEMENT AND OTHERS IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, director nominee or officer of the Corporation or any associate or affiliate of such person in any matter to be acted upon at the Meeting other than the election of directors.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any director, director nominee or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction which in either case has materially affected or will materially affect the Corporation.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Corporation, nominees for election as directors or associates or affiliates of such persons have been indebted to the Corporation at any time during the 2019 fiscal year.

AUDIT COMMITTEE

Audit Committee Charter

The charter adopted by the Corporation's Audit Committee is attached as Schedule "A" hereto.

Composition of the Audit Committee

The Corporation's audit committee is composed of Ms. Holden (Chair) and Messrs. Ernst, Konaryev, Smit and Regan. All of the directors on the Audit Committee, other than Mr. Regan, may be considered independent (as determined under NI 52-110), and all Audit Committee members are financially literate. Ms. Holden is a certified public accountant and has held the positions of Technical Director of Professional Practice at the Center for Audit Quality (CAQ) and Assistant Chief Auditor at the Public Company Accounting Oversight Board (PCAOB) in Washington, DC. Mr. Ernst has extensive public company experience and is proficient in accounting. He is knowledgeable about public company reporting obligations, gained through 20 years of experience in the financial sector. Mr. Ernst has held senior positions at Merrill Lynch, UBS, the American Stock Exchange (AMEX) and the New York Stock Exchange (NYSE). Mr. Konaryev is an experienced financial consultant, commercial broker and partner at Go Capital Inc. He is proficient in Canadian private accounting format, IFRS, U.S. GAAP and accounting due diligence. Mr. Smit is a Chartered Professional Accountant and retired President and CEO of Libro Credit Union. Mr.

Smit has extensive financial experience. He has served on numerous audit committees and presently is the chair of audit committee for London Hydro Inc.

For the relevant experience of each Audit Committee member or proposed Audit Committee member, see their principal occupations for the last five years under "Election of Directors".

Audit Fees

Set forth below is a summary of the total fees paid to the external auditor of the Corporation for fiscal 2018 and 2019:

	<u>2018</u>	<u>2019</u>
Audit fees	70,620	93,090
Audit related fees ⁽¹⁾	64,200	5,350
Tax	Nil	Nil
All other fees ⁽²⁾	8,025	26,750
Total	<u>142,845</u>	<u>125,190</u>

Notes:

- (1) Review of the quarterly financial statements
- (2) Fees relating to the filing of the prospectus and go public transaction

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's Board of Directors is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of its shareholders but also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate for the size of the Corporation and its present stage of development. Schedule "A" to this Information Circular sets forth the corporate governance disclosure required to be made by the Corporation herein pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, which disclosure is made as of January 6, 2020.

BUSINESS OF THE ANNUAL AND SPECIAL MEETING

Receipt of the Financial Statements and Auditors' Report

The financial statements of the Corporation for the year ended May 31, 2019 and the auditors' report thereon will be placed before the shareholders at the Meeting.

Under securities legislation, the Corporation is required to send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a hard copy of the Corporation's annual financial statements and related management's discussion and analysis ("MD&A") and/or the Corporation's interim financial statements and related MD&A. Shareholders who wish to receive a hard copy of the Corporation's annual financial statements and related MD&A and/or the Corporation's interim financial statements and related MD&A are encouraged to send the enclosed return card to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, facsimile (416) 595-9593.

Election of Directors

At present, the Board of Directors may consist of a minimum of 3 and a maximum of 10 directors. The Board of Directors has fixed the number of persons to be elected as directors at the Meeting at seven.

Management does not contemplate that any of the nominees will be unable to serve as a director but, if, prior to the Meeting, any vacancies occur in the proposed nominees herein presented, the proxies shall not be voted with respect to such vacancies.

The following table sets forth, for each of the persons proposed to be nominated for election as directors, all positions and offices with the Corporation now held by them, their principal occupations during the preceding five years, the periods during which they have served as directors of the Corporation and its predecessor, and the number of voting shares of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as of December 24, 2019. Each director elected will hold office until the close of the next annual meeting of shareholders, or until his successor is duly elected or appointed.

Name, Place of Residence and Position with the Corporation	Principal Occupation For the Past Five Years	Director Since	Number of Voting Shares
Kevin Ernst ⁽¹⁾ New Jersey, USA Director	Managing Director at Ocean Capital, a New York and Hong Kong based merchant banking firm.	December 12, 2017	1,000,000 Subordinate Voting Shares
John Harbarenko Ontario, Canada Director	President of the Corporation	June 26, 1997	7,784,275 Subordinate Voting Shares, 218,000 Class B Special Shares
Nicole Holden ⁽¹⁾ Virginia, USA Director	Technical Director of Professional Practice at the Center for Audit Quality in Washington, DC, an autonomous, nonpartisan, non-profit public policy advocacy organization affiliated with the American Institute of CPAs, 2017 - 2018, Assistance controller at Enviva LP and a Principal of Tufnell Consulting LLC since 2019	December 12, 2017	Nil Subordinate Voting Shares
Eugene Konaryev ⁽¹⁾ Ontario, Canada Director	Partner at Go Capital Inc., a Toronto based private equity firm	November 8, 2017	1,247,000 Subordinate Voting Shares
David Redekop Ontario, Canada President	Secretary of the Corporation	June 26, 1997	9,750,000 Subordinate Voting Shares, 250,000 Class B Special Shares

Name, Place of Residence and Position with the Corporation	Principal Occupation For the Past Five Years	Director Since	Number of Voting Shares
Charles Regan ⁽¹⁾ Ontario, Canada CEO, Director	Chief Executive Officer of the Corporation	March 15, 2003	21,235,466 Subordinate Voting Shares, 532,000 Class B Special Shares
Jacques Antonius Smit ⁽¹⁾ Ontario, Canada Director	Retired	December 12, 2017	300,000 Subordinate Voting Shares

Notes:

(1) Member of the Audit Committee.

Other than as set forth below, to the knowledge of the management of the Corporation, no director nominee is, at the date of this Information Circular, or has been, within ten years before the date of this Information Circular,

- (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) was subject to an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued while the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee.

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

To the knowledge of management of the Corporation, no nominee has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director nominee.

Shareholders have the option of voting their shares in favour of electing the nominees individually and may therefore vote in favour of all of them, vote in favour of some of them while withholding their votes

for others, or withholding their votes for all of the nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees. **The Board of Directors recommends that you vote FOR the election of each of the nominees.**

Appointment of Auditors

The Company's auditor is MNP LLP, Chartered Professional Accountants

At the Meeting, shareholders will be asked to vote for the appointment of MNP LLP, Chartered Professional Accountants, of Toronto, Ontario, as auditors of the Corporation until the close of the next annual general meeting, at such remuneration as may be approved by the Board of Directors of the Corporation.

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. The persons named in the enclosed form of proxy intend to vote FOR this resolution at the Meeting. **The Board of Directors recommends that you vote FOR the ordinary resolution approving MNP LLP as the auditor.**

Approval of Proposed Option Plan

At the Meeting, Nerds On Site Inc. Shareholders will be asked to consider and, if deemed advisable, approve the Corporation's 2020 Stock Option Plan (the "Proposed Stock Option Plan"). Pursuant to the terms of the Proposed Option Plan, the Board may, from time to time, grant options to directors, officers, employees and consultants of the Corporation. The number of Common Shares granted under each option and the vesting terms thereof are in the discretion of the Board. Options granted under the Plan must have a term of no more than five years from the date of grant. The exercise price of each option granted under the Plan is in the discretion of the Board, provided that the exercise price cannot be below the closing price of the Common Shares on the Canadian Securities Exchange (the "Exchange") on the last trading day before the date of grant. Any outstanding options granted under the Plan expire on a date not exceeding 90 days following the date that the holder ceases to be an officer, director, employee or consultant of the Corporation, as the case may be, except in the case of death in which case the options expire one year from the date of death. Options granted under the Plan are non-assignable and non-transferable. Outstanding options granted under the Plan may be adjusted in certain events, as to exercise price (subject to disinterested shareholder approval prior to any reduction to the exercise price if the affected optionee is an insider (as defined in the *Securities Act* (Ontario)) of the Corporation at the time of the proposed amendment) and number of Common Shares, to prevent dilution or enlargement. The number of Common Shares that may be optioned under the Plan is limited to 10% of the outstanding Common Shares from time to time; provided, that any one participant under the Option Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants) of the outstanding Common Shares in any 12 month period.

The Proposed Stock Option Plan was approved by the present board of directors of the Corporation on January 6, 2020. The full text of the Proposed Stock Option Plan is attached as Schedule "C" hereto. The approval by shareholders requires a favourable vote of a majority of the Shares voted in respect thereof at the Nerds On Site Inc. Meeting.

The text of the resolution regarding this matter is as follows:

BE IT RESOLVED THAT:

1. the Proposed Stock Option Plan of the Corporation providing for the board of directors of the Corporation to grant options to purchase up to a maximum of 10% of the number of issued and outstanding Common Shares of the Corporation is hereby approved;
2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to

give effect to this resolution. In the absence of contrary directions, the persons named in the accompanying forms of proxy intend to vote in favour of the proposed ordinary resolution to approve the Proposed Stock Option Plan. If the Nerds On Site Inc. Resolution is approved, the Proposed Stock Option Plan will become the stock option plan of the Corporation.

Management is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that properly may come before the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Copies of financial statements and MD&A may be obtained on request without charge from the Chief Financial Officer of the Corporation at 131 Wharnccliffe Road South, London, ON, N6J 2K4 (Telephone (519) 639-4382). Financial information is provided in the Corporation's annual comparative financial statements and MD&A for the Corporation's most recently completed financial year.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

The Audit Committee (the **Committee**) of the Board (the **Board**) of Nerds On Site Inc. (the **Corporation**) shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board, none of whom shall be or shall have been, unless permitted by applicable securities rules, an officer or employee of the Corporation or any subsidiary of the Corporation. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Committee.

Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee shall be designated by the Committee by vote of a majority of the full Committee membership.

Communication, Authority to Engage Advisors and Expenses

The Committee shall have access to such officers and employees of the Corporation, the Corporation's external auditor and to such other information respecting the Corporation, **as** it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee provides an avenue for communication, particularly for outside directors, with the external auditor and financial and senior management and the Board. The external auditor shall have a direct line of communication to the Committee through its Chair and shall report directly to the Committee. The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the Corporation's financial practices or transactions.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

- 1 the Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine, provided that meetings shall be scheduled so as to permit timely review of the quarterly and annual financial statements and reports. The external auditor or any two members of the Committee may also request a meeting of the Committee. The Chair of the Committee shall hold in camera sessions of the Committee at every meeting without management present;

- 2 the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
- 3 if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
- 4 the Chair shall, in consultation with management and the auditor, establish the agenda for the meetings and circulate or instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
- 5 every matter of business at a Committee meeting shall be decided by a majority of the votes cast;
- 6 the Chief Executive Officer shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair of the Committee. Other management representatives may be invited to attend as necessary; and
- 7 a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Corporation; (ii) the assessment of the system of internal controls that management has established; and (iii) the external audit process. In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to (i) financial policies and strategies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Corporation.

The Committee shall be directly responsible, in its capacity as a committee of the Board, for making a recommendation to the Board regarding the appointment, compensation and retention of the external auditor and overseeing the work of the external auditor and the relationship of the external auditor with the Corporation (including the resolution of disagreements between management and the external auditor regarding financial reporting). Management is responsible for preparing the financial statements and financial reporting of the Corporation and for maintaining internal control and management information and risk management systems and procedures. The external auditor is responsible for the audit or review of the financial statements and other services they provide.

The duty and standard of care which directors must meet is as set forth in applicable corporate and securities legislation. These terms of reference are intended to assist the members of the Committee in satisfying the standard of care which is imposed upon them by applicable law and is not intended to increase or decrease the standard of care to which all directors are subject.

The Committee should have a clear understanding with the external auditor that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Corporation.

Specific Duties

A. Relationship with External Auditor

The Committee shall:

- 1 consider and make a recommendation to the Board as to the appointment or reappointment of the external auditor, ensuring that such auditor is a participant in good standing pursuant to applicable securities laws;
- 2 consider and make a recommendation to the Board as to the compensation of the external auditor which is to be paid by the Corporation;
- 3 oversee the work of the external auditor in performing their audit or review services and oversee the resolution of any disagreements between management of the Corporation and the external auditor;
- 4 review and discuss with the external auditor all material identified relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence, including, without limitation:
 - (a) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Corporation;
 - (b) discussing with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and
 - (c) recommending that the Board take appropriate action in response to the external auditor's statement to satisfy itself of the external auditor's independence;
- 5 review and discuss the audit plan of the external auditor with the external auditor, including the staffing thereof, prior to the commencement of the audit;
- 6 as may be required by applicable securities laws, rules and guidelines, either:
 - (a) pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of de minimis non-audit services, approve such non-audit services prior to the completion of the audit; or
 - (b) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
- 7 review and approve the hiring policies of the Corporation regarding partners and employees and former partners and employees of the present and former external auditor of the Corporation.

B. Financial Statements and Financial Reporting

The Committee shall:

- 1 review with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Corporation and related financial reporting, including management's discussion and analysis. In particular, the Committee's review of such financial statements should include, but not be limited to:
 - (a) reviewing any changes in accounting principles, or in their application, which may have a material effect on the current or future years' financial statements;
 - (b) reviewing material identified accruals or other similar estimates;
 - (c) reviewing the accounting treatment of unusual or non-recurring transactions; and
 - (d) reviewing disclosure requirements for commitments and contingencies;
- 2 upon completion of each audit, review with the external auditor the results of such audit. This process should include but not be limited to:
 - (a) reviewing the scope and quality of the audit work performed;
 - (b) reviewing the capability of the Corporation's financial personnel;
 - (c) reviewing the co-operation received from the Corporation's financial personnel during the audit;
 - (d) reviewing the resources used by the Corporation;
 - (e) reviewing material identified transactions outside of the normal business of the Corporation; and
 - (f) reviewing material proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
- 3 review with management and (at the Committee's discretion) the external auditor, and approve, the interim financial statements of the Corporation and related financial reporting, including management's discussion and analysis. In particular, the Committee's review of such financial statements should include, but not be limited to, those items set forth in 1.(a) to (e) above, as applicable;
- 4 review with management and recommend to the Board for approval, the Corporation's annual information form, if applicable;
- 5 review with management and approve or recommend to the Board for approval, as required by the terms hereof, any financial statements of the Corporation which have not previously been approved and which are to be included in a prospectus or other public disclosure document of the Corporation;
- 6 consider and be satisfied that appropriate policies and procedures are in place by management for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (other than public disclosure referred to in clauses B.1 and B.3 above), and periodically assess the adequacy of such procedures;
- 7 review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements;

- 8 review accounting, tax, legal and financial aspects of the operations of the Corporation as the Committee considers appropriate; and
- 9 encourage cooperation and communication between the Committee, the external auditors and management on the use of corporate information and records in the financial reporting process.

C. Internal Controls

The Committee shall:

- 1 review with management and, as applicable, the external auditor and legal counsel, the adequacy and effectiveness of the internal control and management information systems and procedures of the Corporation (with particular attention given to accounting, financial statements and financial reporting matters) and consider whether the Corporation is in compliance with applicable legal and regulatory requirements and with the Corporation's policies;
- 2 review the external auditor's recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto;
- 3 establish procedures for the receipt, retention and treatment of complaints, submissions and concerns regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- 4 review policies and practices concerning the expenses and perquisites of the President and Chief Executive Officer, including the use of the assets of the Corporation; and
- 5 review with management and the external auditor any identified corporate transactions in which directors or officers of the Corporation have a personal interest and other transactions with affiliated parties of the Corporation.

D. Financial Risk Management

The Committee shall:

- 1 review with management their assessment of the material financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures;
- 2 review current and expected future compliance with covenants under any financing agreements;
- 3 understand the financial risks arising from the Corporation's exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit, as applicable. Review the management of those risks including any proposed hedging of such exposures, as applicable;

- 4 review the activities of the Corporation's marketing group or investor relations firm and the financial risks arising from such activities;
- 5 review the Corporation's insurance coverage including insurance covering directors and officers liability;
- 6 review any other material financial exposures including such things as tax audits, government audits or any other activities that expose the Corporation to the risk of a material financial loss;
- 7 report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Corporation; and
- 8 review the appropriateness of the controls, policies and procedures used in the preparation of the Corporation's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies.

SCHEDULE "B"

CORPORATE GOVERNANCE DISCLOSURE

Board

The Board is comprised of seven individuals: Kevin Ernst, John Harbarenko, Nicole Holden, Eugene Konaryev, David Redekop, Charles Regan and Jack Smit. Each of the directors, other than Charles Regan, John Harbarenko and David Redekop is "independent" within the meaning of that term under National Policy 58-201 - *Corporate Governance Guidelines*. Charles Regan is the Corporation's Chief Executive Officer and John Harbarenko and David Redekop were officers of the Corporation within the preceding three years. Accordingly, Messrs. Regan, Harbarenko and Redekop are not independent.

The Board exercises its independent supervision over management through regular meetings of the Board in addition to the Board reviewing and approving any significant transactions undertaken by the Corporation.

Directorships

None of the Corporation's directors act as directors for any other reporting issuers except Kevin Ernst who is a director of Weekend Unlimited Inc.

Orientation and Continuing Education

New directors to the Board are provided with an informal orientation regarding the business, operations and affairs of the Corporation by management. Members of the Board are provided with ongoing education respecting the Corporation's business, operations and affairs by way of management updates and presentations. In addition, directors are encouraged to attend industry workshops respecting the responsibilities of directors.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct by the Corporation by actively overseeing the management of the Corporation's business. In addition, The Board is considering adopting a Code of Conduct and Whistleblower Policy for the Corporation to address the recommendations set out in National Policy 58-201 - *Corporate Governance Guidelines*. The Code of Conduct will be filed on SEDAR under the Corporation's profile when adopted.

Nomination of Directors

The members of the Board share responsibility for proposing new nominees to the Board. Due to the small number of Board members and the different strengths and viewpoints each brings to the Board, this duty is not delegated to a committee.

Compensation

The Board is responsible for reviewing compensation for the directors and senior management in either a formal or informal fashion. The compensation disclosure and analysis in this prospectus provides more detailed disclosure regarding the Corporation's compensation program and the role of the Board with respect thereto.

Board Committees

To facilitate its exercise of independent supervision over management, the Board established the Audit Committee. The Board may strike additional committees as appropriate.

Audit Committee

The composition of the Audit Committee and their "financial literacy" and "independence", as such terms are defined under **NI 52-110**, is described in the prospectus to which this appendix is attached under the heading "Audit Committee".

Assessments

The Board does not have a formal process or steps established to satisfy itself that the Board, its committees and its individual directors are performing effectively. The Board discusses these issues from time to time amongst itself and management and implements such changes and makes such modifications as are determined to be necessary or desirable.

SCHEDULE "C"

STOCK OPTION PLAN

(effective February 10, 2020)

1 Purpose

The purpose of the Plan is to advance the interests of Nerds On Site Inc. by: (a) increasing the proprietary interests of Optionee in the Corporation, (b) aligning the interests of Participants with the interests of the shareholders of the Corporation generally, (c) encouraging Optionee to remain associated with Nerds On Site Inc., and (d) furnishing Optionee with an additional incentive in their efforts on behalf of Nerds On Site Inc.

2 Definitions and Interpretation

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

- (a) **Affiliates** means only those corporations with which the Corporation deals at non-arm's length, within the meaning of the *Income Tax Act* (Canada);
- (b) **Blackout Period** means a period of time when, pursuant to any policies of the Corporation, securities of the Corporation may not be traded by certain persons as designated by the Corporation, including an Optionee as a result of the existence of undisclosed Material Information, but excludes any period during which the Corporation or the Optionee is subject to a cease trade order or similar order under securities laws, and which expires upon the public announcement of such Material Information;
- (c) **Board** means the board of directors of the Corporation;
- (d) **Corporation** means Nerds On Site Inc., its subsidiaries and affiliates, and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board or a duly empowered committee appointed by the Board;
- (e) **Discounted Market Price** means the Market Price less the following maximum discounts based on closing price, subject to a minimum price per share of \$0.05):

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%

or such other price as is prescribed by the Exchange from time to time as its **Discounted Market Price**;

- (f) **Exchange** means the Canadian Securities Exchange or any other stock exchange on which the Shares are listed;
- (g) **Stock Exchange Rules** means the applicable rules of any stock exchange upon the Shares are listed, as amended;
- (h) **Incentive Plans** means this Plan dated effective February 10, 2020 and any other option or share based incentive plan of the Corporation;

- (i) **Incentive Securities** means any options, right or other incentive securities issued and outstanding under any of the Corporation's Incentive Plans (including, for greater certainty, any Options issued and outstanding under this Plan);
- (j) **Market Price** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing trading price of the Shares before either the issuance of the news release or the filing with the Exchange of a price reservation form required to fix the exercise price of the Options;
- (k) **Option** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Shares from treasury at a price determined by the Board;
- (l) **Option Period** means the period determined by the Board during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (m) **Optionee** means a person who is a director, officer, employee, consultant or other personnel of the Corporation, a subsidiary or an Affiliate of the Corporation who is granted an Option pursuant to this Plan;
- (n) **Plan** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended; and
- (o) **Shares** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Stock Exchange Rules, including without limitation, "Consultant", "Material Information" "Distribution", "Employee", "Insider", "Investor Relations Activities", "Listed Shares", "Management Company Employee", and "Prospectus".

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

3 Administration

The Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board, in which case all references herein to the Board shall be deemed to refer to such committee. Any such committee shall comply with the requirement of Rule 16b-3 of the 1934 Act (as defined herein) and Section 162(m) of the Code (as defined herein), to the extent required in the case of a US Optionee (as defined herein).

4 Eligibility

The Board may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Stock Exchange Rules and the limitations contained herein, the Board is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No

Option shall be granted to any person except upon recommendation of the Board. For Options granted to Employees, Consultants or Management Company Employees, the Corporation represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

5 Participation

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

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

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

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

6 Shares Subject to Incentive Securities

The number of authorized but unissued Shares that may be issued upon the exercise or redemption, as applicable, of Incentive Securities issued by the Corporation pursuant to the Incentive Plans shall not exceed, in the aggregate, 10% of the issued and outstanding Shares, all of which may be granted under this Plan.. The Incentive Securities granted under the Incentive Plans together with all of the Corporation's other previous grants, shall not result at any time in:

- (a) the number of Shares reserved for issuance pursuant to Incentive Securities granted to Insiders exceeding 10% of the issued and outstanding Shares; or
- (b) the grant to Insiders within a 12 month period, of a number of Incentive Securities exceeding 10% of the outstanding Shares.

Subject to Stock Exchange Rules, the aggregate number of Shares reserved for issuance to any one (1) Optionee or Participant (as such term is defined in the Corporation's Restricted Share Unit Plan), as applicable, under Incentive Securities granted in any 12 month period shall not exceed 5% of the issued and outstanding Shares determined at the date of grant (or in the case of Optionees and Participants, as applicable, who are Consultants or Employees conducting Investor Relations Activities (as such terms are defined in Stock Exchange Rules), 2% of the issued and outstanding Shares in aggregate).

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Shares covered by individual grants and the total number of Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation as approved by the shareholders of the Corporation and the Exchange..

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

7 Option Agreement

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

8 Option Period and Exercise Price

Subject to any earlier termination as provided in Sections 10 and 12 hereof, each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the **Expiry Date**). Notwithstanding the above, if the Expiry Date for any Option falls within a Blackout Period or within ten (10) Business Days from the expiration of a Blackout Period (such Options to be referred to as **Restricted Options**), the Expiry Date of such Restricted Options shall be automatically extended to the date that is the 10th Business Day following the end of the Blackout Period, such 10th Business Day to be considered the Expiry Date for such Restricted Options for all purposes under the Plan.

Subject to Stock Exchange Rules and any limitations imposed by any relevant regulatory authority, the Board will establish the exercise price at the time each Option is granted and allocated to persons eligible to receive Options under Section 4 hereunder. Such exercise price shall be the volume weighted average trading price of one Share on the Exchange over the period of ten (10) consecutive trading days ending on and including the last trading day prior to the date each Option is granted, but in any event, shall not be less than the Discounted Market Price; provided that such exercise price per common share in respect of Options granted within 90 days of a Distribution by a Prospectus shall not be less than the greater of the Discounted Market Price and the price per common share paid by public investors for Listed Shares of the Corporation under the Distribution.

If and whenever the Corporation declares a dividend on the Shares, the Board will have the right to adjust the exercise price of the Options held by Optionees at its discretion.

9 Exercise of Options

- (a) An Optionee shall be entitled to exercise an Option granted to him or her at any time prior to the expiry of the Option Period, subject to Sections 10 and 12 hereof and to vesting limitations which may be imposed by the Board at the time such Option is granted. Subject to Stock Exchange Rules, the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

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

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

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

10 Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation, or any of its subsidiaries or Affiliates for any reason other than death, the Optionee may: i) within ninety (90) days following the date the Optionee ceases to be a director, officer, employee or consultant; or ii) prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

11 Tax Withholdings

The Corporation or any Affiliate may withhold from any amount payable to an Optionee (whether in Shares or cash or other property), either under the Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation or Affiliate will be able to comply with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of an Optionee. For greater certainty, the Corporation or any Affiliate shall have the right, in its discretion, to satisfy any such liability for withholding or other required deduction amounts by: (i) making additional withholdings on cash remuneration paid to the Optionee in the calendar year as that containing the exercise of an Option; (ii) retaining any Shares or any amount payable, which would otherwise be issued or delivered, provided or paid to an Optionee hereunder; and/or (iii) requiring an Optionee, as a condition to the exercise of an Option, to pay or reimburse the Corporation or Affiliate for any such withholding or other required deduction amounts related to the exercise of Options.

12 Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him or her shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry

of the Option Period, whichever is earlier, and then only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative.

13 Optionee's Rights Not Transferable

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

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

14 Takeover or Change of Control

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

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

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

15 Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Shares at any time during the term of the Option into a greater number of Shares, including by way of dividend, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Shares at any time during the term of the Option into a lesser number of Shares, the number of Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any rights offering of Shares, the number of Shares subject to this Plan, the number of Shares available under Options granted and the exercise price allocated to Options shall be adjusted, in such manner and by such procedure deemed appropriate by the Board, subject to applicable law and the Stock Exchange Rules to reflect adjustments in the number of Shares arising as a result of such rights offering;
- (d) any reclassification of the Shares at any time outstanding or change of the Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger

which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Shares to which he or she was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Shares to which he was entitled upon exercise of the Option.

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

16 United States Matters

- (a) Each option granted under the Plan to an option holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a **U.S. Optionee**) will be designated in the Option Agreement as either a non-qualified stock option or an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the **Code**), provided that the stock option complies with the following provisions. If not designated in the Option Agreement, the Option shall be an incentive stock option. Any Option not otherwise complying with the requirements of Section 422 of the Code, regardless of its designation, shall be a non-qualified option; provided that no provisions of the Plan, as it may be applied to a U.S. Optionee who has been granted an incentive stock option within the meaning of Section 422 of the Code, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Notwithstanding anything in the Plan contained to the contrary, the following provisions shall apply to each U.S. Optionee who will be granted an incentive stock option within the meaning of Section 422 of the Code:
- (i) options shall only be granted to U.S. Optionees who are, at the time of grant, officers, key employees or directors (provided, for purposes of this Section 16 only, such directors are then also officers or key employees of the Corporation, a subsidiary or an Affiliate);
 - (ii) the aggregate fair market value (determined as of the time the option is granted) of the Shares exercisable for the first time by a U.S. Optionee during any calendar year under the Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Corporation or any subsidiary shall not exceed US\$100,000;
 - (iii) the purchase price for Shares under each Option granted to a U.S. Optionee pursuant to the Plan shall be not less than the fair market value of such Shares at the time the Option is granted, as determined in good faith by the directors at such time;
 - (iv) if any U.S. Optionee to whom an Option is to be granted under the Plan at the time of the grant of such option is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation, then the following special provisions shall be applicable to the option granted to such individual:

- (1) the purchase price per Common Share subject to such option shall not be less than one hundred and ten percent (110%) of the fair market value of one Common Share at the time of grant; and
 - (2) for the purposes of this Section 16 only the Option exercise period shall not exceed five (5) years from the date of grant;
 - (v) no Option may be granted hereunder to a U.S. Optionee following the expiry of five (5) years after the date on which the Plan is adopted by the Board or the date the Plan is approved by the shareholders of the Corporation, whichever is earlier;
 - (vi) no option granted to a U.S. Optionee under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Corporation; and
 - (vii) no incentive stock options may be granted under the Plan after ten (10) years after the adoption of this Plan by the Board of the Corporation.
- (b) At the discretion of the Board, Optionees may satisfy withholding obligations as provided in this paragraph. When an Optionee incurs tax liability in connection with an Option, which tax liability is subject to tax withholding under applicable tax laws (including, without limitation, income and payroll withholding taxes), and Optionee is obligated to pay the Corporation an amount required to be withheld under applicable tax laws, Optionee may satisfy the tax withholding obligation by one or some combination of the following methods: (a) by cash payment, (b) out of Optionee's current compensation, (c) if permitted by the Board, in its discretion, by surrendering to the Corporation, Shares that (i) have been owned by Optionee for more than six (6) months on the date of surrender or such other period as may be required to avoid a charge to the Corporation's earnings, and (ii) have a fair market value on the date of surrender equal to (or less than, if other consideration is paid to the Corporation to satisfy the withholding obligation) Optionee's marginal tax rate times the ordinary income recognized, plus an amount equal to the Optionee's share of any applicable payroll withholding taxes, or (d) if permitted by the Board, in its discretion, by electing to have the Corporation withhold from the Shares to be issued upon exercise of the Option, if any, that number of Shares having a fair market value equal to the amount required to be withheld. For this purpose, the fair market value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined (the **Tax Date**). In making its determination as to the type of consideration to accept, the Board shall consider if acceptance of such consideration may be reasonably expected to benefit the Corporation or result in the recognition of compensation expense (or additional compensation expense) for financial reporting purposes.
- (c) The purchase price for Shares under each non-qualified stock option granted to a U.S. Optionee pursuant to the Plan shall be not less than 100% of the fair market value of such Shares, as determined under Code Section 409A, unless the terms of such Option are otherwise in compliance with Code Section 409A.
- (d) In the case of a non-statutory stock option that is intended to comply as performance-based compensation under Code Section 162(m) at such time as such Section applies to the Corporation, the per share exercise price shall be no less than 100% of the fair market value of the Shares subject to the option on the date of grant.

17 **Costs**

The Corporation shall pay all costs of administering the Plan.

18 Termination and Amendment

- (a) The Board may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 18(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Stock Exchange Rules, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights that have accrued to him or her prior to the effective date thereof.
- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

19 Applicable Law

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

20 Prior Plans

On the effective date (as set out in Section 21 hereof), subject to Exchange approval and, if required, shareholder approval:

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

21 Effective Date

This Plan shall become effective as of and from, and the effective date of the Plan shall be subject to receipt of all necessary shareholder and regulatory approvals.