



**POSABIT SYSTEMS CORPORATION  
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND MANAGEMENT  
INFORMATION CIRCULAR**

with respect to the Annual General and Special Meeting of Shareholders to be held on June 14,  
2022

Dated as of May 13, 2022

**POSABIT SYSTEMS CORPORATION**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the "**Meeting**") of the shareholders of POSaBIT Systems Corporation (the "**Company**") will be held as a virtual shareholders' meeting via live audio webcast online at [meetnow.global/M6XAQ9X](https://meetnow.global/M6XAQ9X) on Tuesday, June 14, 2022 at 10:00 a.m. (Pacific Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the years ended December 31, 2019, December 31, 2020 and December 31, 2021 and the reports of the auditors thereon;
2. to set the number of directors of the Company at five and to elect the directors of the Company to hold office until the next annual meeting of shareholders;
3. to appoint Armanino LLP as auditor to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors;
4. to consider and, if deemed appropriate, pass a resolution confirming and approving the 2021 equity incentive plan of the Company on a disinterested basis, as more particularly described in the Information Circular (as defined herein);
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular (the "**Information Circular**") and form of proxy and is to be read with the annual financial statements of the Company for the years ended December 31, 2019, December 31, 2020 and December 31, 2021, together with the reports of the auditors thereon.

The board of directors of the Company has by resolution fixed the close of business on May 10, 2022 as the record date, being the date for the determination of the registered shareholders of the Company's entitled to receive notice of and to vote at the Meeting and any adjournments or postponements thereof.

**A shareholder of the Company may attend the Meeting in person or may be represented by proxy. Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.**

A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his/her/its duly completed and executed form of proxy with the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournments or postponements thereof at which the proxy is to be used.

Given the significant uncertainty relating to the coronavirus ("**COVID-19**") pandemic, its public health impact and the associated current restrictions on and the risk in attending large group gatherings, the Company has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at [meetnow.global/M6XAQ9X](https://meetnow.global/M6XAQ9X). Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

As a shareholder of the Company, it is very important that you read the Information Circular of the Company dated May 13, 2022 and other Meeting materials carefully. They contain important information with respect to voting your securities and attending and participating at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting

such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your shares, including if you are a nonregistered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST visit <http://www.computershare.com/posabit> and provide their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Computershare may provide the proxyholder with a Username via email.

DATED at Toronto, Ontario, as of the 13<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) "Ryan Hamlin"*  
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Ryan Hamlin  
Co-Founder and Chief Executive Officer

**POSABIT SYSTEMS CORPORATION**  
**Management Information Circular**

Unless otherwise stated, information contained herein is given as of May 13, 2022. All references to dollar amounts herein are references to United States dollars unless otherwise indicated.

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

*Solicitation of Proxies*

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by the management of POSaBIT Systems Corporation (the "**Company**") of proxies to be voted at the annual general and special meeting (the "**Meeting**") of the holders (the "**shareholders**") of common shares ("**Common Shares**") of the Company to be held as a virtual shareholders' meeting via live audio webcast online at [meetnow.global/M6XAQ9X](https://meetnow.global/M6XAQ9X) on Tuesday, June 14, 2022 at 10:00 a.m. (Pacific Time), for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 13, 2022.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Company has delivered proxy-related materials to intermediaries to forward to the OBOs (as defined herein) and has delivered proxy-related materials directly to the NOBOs (as defined herein). The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

The Company's head office and registered office is located at 11915 124<sup>th</sup> Ave NE, Kirkland, WA 98034, U.S.

The solicitation of proxies by management of the Company will be made primarily by mail but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

*Appointment of Proxyholder*

The persons named in the enclosed form of proxy for the Meeting are officers of the Company and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying form of proxy as a nominee and does not direct the said nominee to vote either "For", "Against" or "Withhold", as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Common Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted "For" such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder's attorney authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf, of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the form of proxy; and
- (b) return the properly executed and completed form of proxy by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Computershare Investor Services Inc. ("**Computershare**"),

to be received no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### ***Revocation of Proxy***

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder's attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

### ***Voting of Proxies***

A registered shareholder may direct the manner in which his or her Common Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the form of proxy accordingly. The management nominees designated in the enclosed form of proxy will vote the Common Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Common Shares represented by a proxy given to management will be voted "For" the resolution. If more than one direction is made with respect to any resolution, such Common Shares will similarly be voted "For" the resolution.**

### ***Exercise of Discretion by Proxyholders***

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation or matter.

## **VOTING BY BENEFICIAL SHAREHOLDERS**

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their Common Shares in their own name.

Persons who hold Common Shares through their brokers, agents, trustees or other intermediaries (such shareholders, "**Beneficial Shareholders**") should note that only proxies deposited by registered shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If Common Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Common Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Common Shares will be registered in the name of "CDS & Co.", the registration name of CDS Clearing and Depository Services Inc. which acts as a nominee for many brokerage firms. Common Shares held by brokers, agents, trustees or other intermediaries can only be voted by those brokers, agents, trustees or other intermediaries in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the request for voting instructions ("**VIF**") provided with this Information Circular and ensure they communicate how they would like their Common Shares voted in accordance with those instructions.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**". In

accordance with the requirements of NI 54-101, the Company has delivered proxy-related materials to intermediaries to forward to the OBOs and has delivered proxy-related materials directly to the NOBOs. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Generally, a Beneficial Shareholder who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with Computershare; or
- (b) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the intermediary or its service Company, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent, trustee or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Common Shares as proxyholder for the registered shareholder should contact their broker, agent, trustee or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder.

If you are a Beneficial Shareholder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

## **ACCESSING AND VOTING AT THE VIRTUAL MEETING**

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "How do I attend and participate at the Meeting?".

Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the VIF sent to you and must follow all of the applicable instructions provided by your intermediary. See "Appointment of a Third Party as Proxy" and "How do I attend and participate at the Meeting?".

### ***Appointment of a Third Party as Proxy***

The following applies to shareholders who wish to appoint a person (a "**third party proxyholder**") other than the management nominees set forth in the form of proxy or VIF as proxyholder, including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares MUST submit their proxy or VIF (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or VIF:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or VIF. If you are a Beneficial Shareholder located in the United States, you must also provide Computershare with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.
- **Step 2: Register your proxyholder:** To register a proxyholder, shareholders MUST visit <http://www.computershare.com/posabit> and provide, by 10:00 a.m. (Pacific Time) on June 10, 2022. Computershare with the required proxyholder contact information, amount of Common Shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the Common Shares are held if a beneficial shareholder, so that Computershare may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a Beneficial Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "How do I attend and participate at the Meeting?".

#### ***Legal Proxy – US Beneficial Shareholders***

If you are a Beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from Beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be directed to:

Computershare Investor Services Inc.  
100 University Avenue, 8<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1

Request for registration must be labeled as "Legal Proxy" and be received no later than June 10, 2022 by 10:00 a.m. (Pacific Time).

#### ***How do I attend and participate at the Meeting?***

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at [meetnow.global/M6XAQ9X](https://meetnow.global/M6XAQ9X). Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting:

- Registered shareholders: The control number located on the form of proxy is the Username. If as a registered shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cut off.
- Duly appointed proxyholders: Computershare will provide the proxyholder with a Username by e-mail after the voting deadline has passed. Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or VIF and register the proxyholder. See "Appointment of a Third Party as Proxy".

### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

The voting securities of the Company consist of an unlimited number of Common Shares. As of the Record Date (as defined herein), the Company has 164,788,479 Common Shares issued and outstanding.

The close of business on May 10, 2022 (the "**Record Date**") has been fixed by the board of directors of the Company (the "**Board**") as the record date for determining the shareholders entitled to receive notice of and to vote at the Meeting. Accordingly, only shareholders of record on the Record Date are entitled to vote at the Meeting.

The failure of any shareholder to receive notice of the Meeting does not deprive a shareholder of the entitlement to vote at the Meeting. Every shareholder of record at the close of business on the Record Date who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of his or her Common Shares after the Record Date; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands, not later than ten (10) days before the Meeting, that his or her name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

To the knowledge of the directors and officers of the Company, as of the Record Date, no person beneficially owns or exercises control over, directly or indirectly, more than ten percent (10%) of the outstanding voting securities of the Company:

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### ***Financial Statements***

The audited consolidated financial statements of the Company for the years ended December 31, 2019, December 31, 2020 and December 31, 2021, including the reports of the auditors thereon, will be tabled at the Meeting and will be received by the shareholders. These audited consolidated financial statements of the Company for the years ended December 31, 2019, December 31, 2020 and December 31, 2021 and the reports of the auditors thereon and the related management's discussion and analysis are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### ***Election of Directors***

The directors on the Board of the Company are elected at each annual meeting of shareholders and hold office until the close of the next annual meeting or until their successors are duly elected or appointed, unless their office is earlier vacated in accordance with Company's articles or the *Business Corporations Act* (British Columbia) ("**BCBCA**"). There are currently five (5) directors of the Company, and five (5) directors are to be elected at the Meeting.



Management proposes to set the number of directors of the Company at five (5) and nominate at the Meeting the persons whose names are set forth in the table below, for election as a director of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees named. Management does not contemplate that any of the nominees will be unable to serve as a director of the Company.

**In the absence of instructions to the contrary, the enclosed form of proxy will be voted "FOR" the setting of the number of directors of the Company at five and the election of the nominees listed below.**

As a group, the proposed directors beneficially own, or control or direct, directly or indirectly, a total of 26,215,404 Common Shares representing 19.9% of the Common Shares issued and outstanding.

The following table and the notes thereto set out the name of each person proposed by Management to be nominated for election as a director of the Company at the Meeting, the period during which he or she has been a director of the Company, his or her principal occupation within the five (5) preceding years, all offices of the Company now held by such person, and his or her shareholdings, which includes the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly.

<b>Name, Province or State and Country of Residence, Position</b>	<b>Principal Occupation or Employment for the Past Five Years</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned or Controlled</b>
Ryan Hamlin Redmond, WA  Co-Founder, Chief Executive Officer and Director	CEO and Co-Founder, POSaBIT, Inc., November 2015 – present; CEO and Founder PlaceFull, Inc. (" <b>PlaceFull</b> "); Chairman of the Board, PlaceFull, November 2011 – 2021.	April 2019	10,651,517
Donald Tringali <sup>(1)</sup> Phoenix, AZ  Director	Principal, Augusta Advisory Group, January 2001 – present; Of Counsel, Skrzyniarz & Mallean, LLP, September 2015 – present.	April 2021	593,754
Louis Camhi <sup>(1)</sup> Great Neck, NY  Director	Founder and Chief Investment Officer, RLH Capital, September 2021 – present; Analyst, Citadel, July 2018 – September 2020; Analyst, Three Corner Global Investors LP, May 2013 – July 2018.	July 2021	2,550,498
Michael Apker <sup>(1)</sup> Incline Village, NV  Director	Board of Directors, Company, 2020 – present; Managing Director, Envestnet Asset Management, Inc., 2005-2020; Founder & CEO, Oberon Financial Technology, 2000-2005.	June 2020	9,873,635 <sup>(2)</sup>
Bruce Jaffe New York, NY  Proposed Director	General Partner, J4.Ventures; Self Employed, Three Point Group, LLC; President & CEO, Donuts Inc	April 2019 – June 2020	430,000

**Notes:**

- (1) Member of Audit Committee. Donald Tringali is the chair of the Audit Committee.
- (2) Mr. Apker's common shareholdings are comprised of 1,456,176 held directly and 8,417,459 held indirectly.

**Biographies**

The following are brief profiles of each of the proposed nominees, including a description of each individual's principal occupation within the past five (5) years.

***Ryan Hamlin, Co-Founder, Chief Executive Officer and Director***

Mr. Hamlin has over 32 years of software development and management experience. He is the Co-Founder and Chief Executive Officer of the Company. In 2011, he founded PlaceFull, an online booking and eMarketing platform. PlaceFull was recently sold to Retail Management Hero, a point-of-sale provider for small businesses. From 1995 to 2010 he was an executive at Microsoft, managing 1,000+ person teams and over \$500 million in revenue, and from 1990 to 1994 he was a senior systems analyst at Andersen Consulting. He has also served on several start-up and larger non-profit boards. Mr. Hamlin has a B.A. and B.S., Business & Computer Science, from Pacific Lutheran University.

As Chief Executive Officer, Mr. Hamlin provides direction and skills with respect to the development of the Company and is responsible for the guiding strategy and direction of the Company.

***Donald Tringali, Director***

Mr. Tringali is the founder and Chief Executive Officer of Augusta Advisory Group, a US-based boutique financial and business consulting firm providing a full range of executive, operations and corporate advisory services to leading public and private companies in a wide array of industries. Since 2015, Mr. Tringali has practiced law at Skrzyniarz & Mallean, LLP. He brings over 30 years of experience as a business lawyer, C-level executive, independent corporate director and board advisor. Mr. Tringali is also Chairman of Swiss Water Decaffeinated Coffee Inc., a TSX-listed company, and a director of WaveDancer Inc., a Nasdaq listed company. Mr. Tringali holds a BA in Economics from UCLA and a JD (Juris Doctor) degree from Harvard Law School.

***Louis Camhi, Director***

Mr. Camhi is currently the founder and Chief Investment Officer of RLH Capital. Previously, he worked as an analyst at Citadel where he managed an equity long short portfolio focused on payments and financial technology companies. Prior to Citadel, Mr. Camhi worked as a senior analyst at Three Corner Global Investors LP, a fundamental long short equity hedge fund and he began his career as an investment banker in the mergers and acquisitions group at Credit Suisse Group AG. Mr. Camhi received his Bachelor of Science in Finance and Accounting from the Leonard N. Stern School of Business at New York University.

***Michael Apker, Director***

Founder and CEO of Oberon Financial Technology, an investment management software company which was later acquired by Envestnet, Inc. Mr. Apker recently retired from Envestnet after 15 years in a variety of capacities, including Chief Operating Officer, Executive Vice President, and Managing Director. Prior to his tenure in wealth management services, Apker spent 20 years at Hewlett-Packard and at Silicon Graphics, Inc.

***Bruce Jaffe, Director***

Mr. Jaffe is a general partner in the venture firm J4.Ventures, an early stage investment company focused on technology and technology enabled businesses. Mr. Jaffe is also consultant and investor with Three Point Group, LLC, which he founded in 2008 and which also focuses on early stage as well as growth technology companies. He previously served as President and Chief Executive Officer of Donuts Inc., a privately held registry operator of top-level domain names, from January 2017 through its sale to a private equity firm in November 2018. Mr. Jaffe served as Chief Financial Officer and EVP Corporate Development of Glam Media, a privately held media company, from May 2010 to December 2011. From June 1995 through February 2008, Mr. Jaffe held various positions at Microsoft Corporation, most recently serving as its Corporate Vice President, Corporate Development. Mr. Jaffe serves as a director of several privately held companies, including Donuts Inc. Mr. Jaffe holds a B.S. degree from UC Berkeley and an M.B.A. from the Stanford University Graduate School of Business.

### Cease Trade Orders

To the knowledge of the Company, other than disclosed herein, as at the date of this Information Circular, no director or executive officer of the Company is, as at the date of this Information Circular, or was, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that was subject to 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 thirty (30) consecutive days:

- that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- that was issued after the director or executive officer 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.

On April 25, 2016, BlueOcean NutraSciences Inc. ("**BOC**") applied to the applicable Canadian securities regulatory authorities pursuant to National Policy 12-203 – Cease Trade Orders for Continuous Disclosure Defaults ("**Policy 12-203**") for a management cease trade order ("**MCTO**"), which precluded members of management (including Stephen Gledhill, CFO) from trading BOC common shares until such time as the MCTO is no longer in effect. The MCTO was sought by BOC as it would not be filing its audited annual financial statements, related management's discussion and analysis and applicable officer certifications (the "**Annual Materials**") by the deadline date of April 29, 2016. On May 9, 2016, the Ontario Securities Commission ("**OSC**") granted a temporary MCTO, effective until May 16, 2016. On May 16, 2016, the OSC issued a permanent MCTO in effect until two (2) days following BOC filing its Annual Materials with the applicable regulatory authorities. On July 19, 2016, BOC filed its Annual Materials and on July 21, 2016, the MCTO was lifted. On January 12, 2016 (further to a TSX Venture Exchange Bulletin dated January 11, 2016), Gemoscan Canada, Inc.'s ("**GES**") shares were suspended from trading on the TSX Venture Exchange for failing to maintain exchange requirements, GES having made assignment into bankruptcy. Effective January 13, 2016, GES's listing was transferred to the NEX. Stephen Gledhill served as CFO of GES from August 2010 to November 2015.

### Bankruptcies

To the knowledge of the Company, other than as set forth above, no director or executive officer of Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- is, as at the date of the Information Circular, or has been within the ten (10) years before the date of the Information Circular, a director or executive officer of any company (including the Company) 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, state the fact; or
- has, within the ten (10) years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### Penalties and Sanctions

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

### ***Appointment of Auditor***

It is proposed that Armanino, LLP, Chartered Professional Accountants, be appointed as auditors of the Company for the ensuing year, and that the directors of the Company be authorized to fix their remuneration. Armanino, LLP, have been the auditors of the Company since November 29, 2021.

On November 16, 2021, the Company's former auditor, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, resigned as auditors of the Company. On November 16, 2021, a notice of change of auditor was distributed stating that the Company appointed Armanino, LLP, Chartered Professional Accountants, as auditors of the Company and confirming that there were no modified opinions expressed in the former auditor's reports on any of the financial statements of the Company and there were no reportable events (as defined in section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")). On November 30, 2021, Armanino, LLP delivered a letter to the Company indicating that it had reviewed the Notice of Change of Auditor and was in agreement with the statements contained in such notice.

Attached as Schedule "A" to this Information Circular is a copy of the reporting package for change of auditor pursuant to NI 51-102.

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted "FOR" the appointment of Armanino LLP as the auditor of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed.** It is proposed that the remuneration to be paid to the auditor be fixed by the Board.

### ***Approval of the Equity Incentive Plan***

The Company wishes to obtain approval, on a disinterested basis, of the Company's equity incentive plan, as supplemented by a Canadian sub-plan (collectively, the "**Equity Incentive Plan**") by the shareholders at the Meeting, which was adopted by the Board on December 1, 2021.

The Equity Incentive Plan provides that the maximum aggregate number of Common Shares that may be subject to issuance pursuant to Awards (as defined herein) granted under the Equity Incentive Plan is 10,000,000 Common Shares, representing approximately 6.1% of the issued and outstanding Common Shares as of the Record Date.

See "*Security Based Compensation Arrangements – Summary of Terms and Conditions of the Equity Incentive Plan*" for further details concerning the Equity Incentive Plan. The information related to the Equity Incentive Plan in this Information Circular is intended as a summary only and is qualified in its entirety by reference to the Equity Incentive Plan which is attached hereto as Schedule "B".

The Board is seeking disinterested shareholder approval of the Equity Incentive Plan. Although shareholder approval of the Equity Incentive Plan is not required pursuant to the policies of the Canadian Securities Exchange (the "**CSE**"), the Board wishes to obtain maximum flexibility with respect to the granting of awards under the Equity Incentive Plan.

National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the CSE, the Company is classified as an "unlisted reporting issuer" for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors and consultants of the Company (the "**Exemption**"). NI 45-106 restricts the use of the Exemption by "unlisted reporting issuers", such as the Company, in certain circumstances unless the Company obtains disinterested shareholder approval.

In accordance with the requirements of NI 45-106, the Board has provided the requisite information in the Information Circular with respect to the Equity Incentive Plan so that the disinterested shareholders may form a reasoned judgment concerning the Equity Incentive Plan.

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, approve, with or without variation, a resolution (the "**Equity Incentive Plan Resolution**") confirming and approving the Equity Incentive Plan, as amended. The Equity Incentive Plan Resolution must be approved by a majority of the votes cast thereon by disinterested shareholders represented in person or by proxy at the Meeting. To the Company's knowledge, each of the persons listed below are considered interested parties and will be excluded from voting on the Equity Incentive Plan Resolution.

<b>Name of Insider</b>	<b>Number of Common Shares Beneficially Owned or Controlled</b>
Michael Apker	9,873,635
Ryan Hamlin	10,651,517
Louis Camhi	2,550,498
Donald Tringali	593,754
Bruce Jaffee	430,000
Matthew Fowler	15,000
Stephen Gledhill	22,500

The text of the Equity Incentive Plan Resolution is as follows:

**"RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Equity Incentive Plan, attached as Appendix "A" to this Information Circular is hereby confirmed and approved.
2. Any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination
3. Notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company."

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted "FOR" the Equity Incentive Plan Resolution.**

**QUORUM**

The quorum for the transaction of business at a meeting of shareholders is two (2) or more persons present at the commencement of the meeting holding, or representing by proxy not less than five percent (5%) of the votes attached to all common shares entitled to vote at the meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

**CORPORATE GOVERNANCE**

National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

### ***Board of Directors***

The Board consists of five (5) members of whom the Company believes three (3) to be independent based upon the applicable tests set forth in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Messrs. Apker, Camhi and Tringali are independent directors. Whereas, Messrs. Hamlin and Baugher are not independent directors as they are executive officers of the Company.

NP 58-201 suggests that the Board of reporting issuers should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship that could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. In addition, the independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the Chief Executive Officer ("**CEO**") to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee.

In addition to the in camera sessions held by the Company's independent directors, the Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

The activities of the executive officers are subject to the overriding supervision and direction of the Board. The responsibilities of the executive officers of the Company will include, but is not limited to, the following: (i) providing the Board with information and advice relating to the operation of the Company's properties, acquisitions, dispositions, developments and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period, as approved by the Board, and implementing such plans and monitoring the financial performance of the Company; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions, as approved by the Board; (iv) maintaining the books and financial records of the Company; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of the Company for tax and accounting purposes, as approved by the Board; (vi) preparing reports and other information required to be sent to shareholders and other disclosure documents, as approved by the Board; (vii) calculating all distributions, as approved by the Board; (viii) communicating with shareholders and other persons, including investment dealers, lenders, investors, and professionals; (ix) administering or supervising the administration, on behalf of the Board, of the payment of distributions by the Company; and (x) ensuring the Company is in compliance with internal policies and regulatory and legal requirements.

### ***Participation of Directors in Other Reporting Issuers***

The following directors of the Company currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction):

<u>Name</u>	<u>Name of Reporting Issuer</u>
Donald Tringali	Swiss Water Decaffeinated Coffee Inc., TSX

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential conflicts of interest.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for members of the Board. Members of the Board are encouraged to communicate with management, legal counsel, auditors and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Members of the Board have full access to the Company's records.

### ***Ethical Business Conduct***

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Company also serves as a director or officer of another company engaged in similar business activities to the Company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

The Company has implemented a corporate disclosure, confidentiality and insider trading policy to formalize the Company's policy regarding, among other things: (i) disclosure of information in a timely, consistent and appropriate manner; (ii) the protection against, and prevention of, the improper use or disclosure of material and/or confidential information; (iii) the dissemination of material information in accordance with applicable legal requirements; (iv) the responsibilities of the Company's directors, officers and employees respecting the appropriate use and disclosure of material and/or confidential information; (v) the process to be undertaken to determine whether or not information is material and when and how such information should be disclosed; and (vi) the establishment of procedures, guidelines and processes to be utilized to assist directors, officers and employees in complying with insider trading restrictions.

The Board has not adopted a code of business conduct and ethics but does promote ethical business conduct by nomination board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its Board independent of corporate matters. which outlines a set of ethical standards by which each director, officer, employee, consultant and contractor of the company should conduct his or her business.

### ***Nomination of Directors***

The Company does not have a stand-alone nomination committee. The Board has responsibility for identifying potential candidates for the Board. The Board assesses potential candidates to fill perceived needs on the Board based on required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

### ***Compensation Committee***

The Company does not have a stand-alone compensation committee. The Board has responsibility for: (i) the appointment, performance, evaluation and compensation of the Company's senior executives; (ii) the recruitment, development and retention of senior executives; (iii) developing compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and

other share-based awards; (iv) assessing the compensation of the directors of the Company; (v) developing benefit retirement and savings plans; and (vi) administering the Company's share compensation arrangements.

The Company has adopted a non-employee director compensation policy which provides that the Board should use the following principles in setting non-employee director compensation: (i) director compensation should be determined by the Board and disclosed completely to shareholders; (ii) director compensation should be aligned with the longer term interest of shareholders; (iii) compensation should be used to motivate director behaviour; (iv) director compensation should be approached on an overall basis, rather than as an array of separate elements; (v) directors should be adequately compensated for their time and effort, with overall compensation not below that of their peers; (vi) in setting compensation, the Board shall take into account the extent to which individual directors are asked to invest substantial time and provide special tasks above and beyond customary expectations of directors; and (vii) as the primary operations of the Company are in the United States, and the Company competes for US-based directors, the Company shall consider US- peer companies in assessing appropriate levels of compensation.

### ***Audit Committee***

The Board has established an Audit Committee that is currently comprised of Donald Tringali (Chair), Mike Apker and Louis Camhi. All members of the Audit Committee are "independent" and "financially literate" for the purposes of NI 52-110. The full text of the Audit Committee's charter is annexed as Schedule "C" to this Information Circular.

Each member of the Audit Committee is considered financially literate, as they each have a good command of IFRS and the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and the internal controls and procedures for financial reporting.

At no time since the commencement of the Company's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the Board.

As the Company is considered a "venture issuer" for the purpose of NI 52-110, it is relying on the exemption found in section 6.1 of NI 52-110.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out at "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*".

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholders' meeting to serve one-year terms. There are no limits to how many consecutive terms an Audit Committee member may serve.

The aggregate fees billed by the Company's external auditors in each of the last three (3) fiscal years for audit, audit-related, tax and all other fees are as follows:

	<b>December 31, 2021</b>	<b>Fiscal Year Ending December 31, 2020</b>	<b>December 31, 2019</b>
Audit fees <sup>(1)</sup>	\$120,648	\$71,292	\$147,859
Audit-related fees <sup>(2)</sup>	\$nil	\$nil	\$nil
Tax fees <sup>(3)</sup>	\$9,986	\$6,768	\$10,658
All other fees <sup>(4)</sup>	\$nil	\$nil	\$nil

**Notes:**

- (1) Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees are fees for assurance and related services related to the performance of the audit or review of the annual financial statements that are not reported under "Audit Fees". These include due diligence for business acquisitions, audit and accounting consultations regarding business acquisitions, and other attest services not required by statute.
- (3) Tax fees, tax planning, tax advice and various taxation matters.
- (4) All other fees include the aggregate fees billed for products and services provided by the Company's external auditor, other than "Audit fees", "Audit-related fees" and "Tax fees" above.



### *Other Committees*

The Board has no other committees other than the Audit Committee.

### *Assessments*

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board will review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board will be called to deal with special matters, as circumstances require.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### *Compensation Discussion and Analysis*

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Company must attract, retain and motivate a highly talented team of executive officers and directors. The Company expects its team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster a pioneering culture, which is at the foundation of the Company's success and remains a pivotal part of its operations. The Board is responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile.

The Board's oversight includes reviewing objectives, evaluating performance and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable and consistent with the objectives of the philosophy and compensation program.

The Board evaluates the Company's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Board is guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Company if it were required to find a replacement for a key employee.

The compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to our long-term success. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. The Board seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporate performance goals are based on financial performance of the Company during the applicable financial year.

In order to achieve its growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought-out compensation plan that attracts high performers and compensates them for continued achievements.

The Company will continue to evaluate our compensation philosophy and compensation program as circumstances require and plans to continue to review compensation on an annual basis.

A consulting agreement with Keshill Consulting Associates Inc. (a company owned by Stephen Gledhill) (the "**Keshill Agreement**") has been entered into by the Company. There are no written employment or consulting agreements with Mr. Hamlin or Jon Baugher. The Company's executive compensation consists primarily of three elements: (a) base salary; (b) short-term incentives; and (c) long-term incentives. See "*Executive Compensation – Employee Agreements and Termination and Change of Control Benefits*".

### **Compensation of NEOs and Directors, Excluding Compensation Securities**

In this section, "**NEO**" means (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer, (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer, (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the chief executive officer and the chief financial officer at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year. For the purposes of this Information Circular, as of the date of this Information Circular, the Company had three (3) NEOs, namely: (i) Ryan Hamlin, Co-Founder and Chief Executive Officer; (ii) Stephen Gledhill, Chief Financial Officer and Corporate Secretary; and (iii) John Baugher, Chief Revenue Officer.

The following table sets forth the compensation to the NEOs and directors paid by the Company within the three (3) most recently completed financial years of the Company, being the years ended December 31, 2021, December 31, 2020 and December 31, 2019, excluding compensation securities.

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)<sup>(1)</sup></b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Ryan Hamlin <sup>(2)</sup> <i>Co-Founder, Chief Executive Officer and Director</i>	2021	184,000	145,400	N/A	Nil	Nil	329,400
	2020	180,000	30,000	N/A	Nil	Nil	210,000
	2019	157,500	Nil	N/A	Nil	Nil	157,500
Stephen Gledhill <sup>(2)</sup> <i>Chief Financial Officer and Corporate Secretary</i>	2021	66,000	Nil	N/A	Nil	Nil	66,000
	2020	66,000	Nil	N/A	Nil	Nil	66,000
	2019	66,000	Nil	N/A	Nil	Nil	66,000
Jon Baugher <i>Chief Revenue Officer and Director</i>	2021	147,000	124,442	N/A	Nil	Nil	271,442
	2020	140,000	23,000	N/A	Nil	Nil	163,000
	2019	124,093	Nil	N/A	Nil	Nil	124,093
Donald Tringali <sup>(3)</sup> <i>Director</i>	2021	Nil	Nil	13,901	Nil	Nil	13,901
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Louis Camhi <sup>(4)</sup> <i>Director</i>	2021	Nil	Nil	8,967	Nil	Nil	8,967
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Mike Apker <sup>(5)</sup> <i>Director</i>	2021	Nil	Nil	13,901	Nil	Nil	13,901
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Bruce Jaffe <sup>(6)</sup> <i>Former and Proposed Director</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Dossett <sup>(7)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Paul Fiore <sup>(8)</sup> <i>Former Director</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Michael Markette <sup>(8)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
Former Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) None of the NEOs or directors are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their base salary.
- (2) Messrs. Hamlin and Gledhill were appointed on April 3, 2019.
- (3) Donald Tringali was appointed to the Board on April 21, 2021.
- (4) Louis Camhi was appointed to the Board on July 22, 2021.
- (5) Mike Apker was appointed to the Board on June 3, 2020.
- (6) Bruce Jaffe resigned from the Board on June 3, 2020. Mr. Jaffe is being proposed for election at the Meeting
- (7) Jeff Dossett resigned from the Board on April 21, 2021.
- (8) Messrs. Fiore and Markette served on the Board between April 3, 2019 and April 29, 2019.

***Employee and Consulting Agreements, Termination and Change of Control Benefits***

None of the NEOs have entered into an employee or consulting agreement with the Company, except with respect to the Keshill Agreement. Pursuant to the Keshill Agreement, Keshill Consulting Associates Inc. (a company owned by Mr. Gledhill) ("**Keshill**") is entitled to the following compensation:

Name, Province or State and Country of Residence, Position	Annual Base Salary (\$)	Bonus (\$)
Stephen Gledhill, Chief Financial Officer and Corporate Secretary  <i>Cobourg, Ontario, Canada</i>	66,000	Nil

Keshill is also entitled to the reimbursement of reasonable business expenses, provided such that expenses are approved by the Company. Pursuant to the Keshill Agreement, Keshill shall be entitled to participate in the Company's stock option plan in an amount consistent with a member of the executive management team and on such terms and conditions as may from time to time be determined by the Board. The Keshill Agreement provides for standard indemnity provisions in favour of Keshill. The Keshill Agreement automatically renews each January 1st for a one-year period unless terminated by either party with 60 days notice to the other.

***Stock Options and Other Compensation Securities***

The following table sets forth all compensation securities granted or issued by the Company, or any subsidiary thereof, to each director and NEO, in the most recently completed financial years ended December 31, 2021 and 2020, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Compensation Securities								
Name and position	Year	Type of compensation security	Number of Common Shares underlying unexercised compensation securities and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue or Exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry Date
Ryan Hamlin, Co- Founder and Chief Executive Officer	2021	Options	300,000	26-May-21	C\$0.315	C\$0.315	C\$1.68	26-May-31
	2020	Options	750,000	1-Oct-20	C\$0.095	C\$0.095	C\$0.15	1-Oct-30
Stephen Gledhill Chief Financial Officer and Corporate Secretary	2021	Options	Nil	N/A	N/A	N/A	N/A	N/A
	2020	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jon Baugher Chief Revenue Officer and Director	2021	Options	300,000	26-May-21	C\$0.315	C\$0.315	C\$1.68	26-May-31
	2020	Options	500,000	1-Oct-20	C\$0.095	C\$0.095	C\$0.15	1-Oct-30

**Compensation Securities**

<b>Name and position</b>	<b>Year</b>	<b>Type of compensation security</b>	<b>Number of Common Shares underlying unexercised compensation securities and percentage of class<sup>(1)</sup></b>	<b>Date of issue or grant</b>	<b>Issue or Exercise price</b>	<b>Closing price of security or underlying security on date of grant</b>	<b>Closing price of security or underlying security at year end</b>	<b>Expiry Date</b>
Donald Tringali <sup>(1)</sup> <i>Director</i>	2021	Options	150,000	26-May-21	C\$0.315	C\$0.315	C\$1.68	26-May-31
	2021	RSU <sup>(5)</sup>	122,549	15-Dec-21	C\$1.31	C\$1.31	C\$1.68	15-Dec-31
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Louis Camhi <sup>(2)</sup> <i>Director</i>	2021	Options	150,000	21-Jul-21	C\$0.45	C\$0.45	C\$1.68	21-Jul-31
	2021	RSU <sup>(5)</sup>	122,549	15-Dec-21	C\$1.31	C\$1.31	C\$1.68	15-Dec-31
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mike Apker <sup>(3)</sup> <i>Director</i>	2021	Options	150,000	26-May-21	C\$0.315	C\$0.315	C\$1.68	26-May-31
	2021	RSU <sup>(5)</sup>	122,549	15-Dec-21	C\$1.31	C\$1.31	C\$1.68	15-Dec-31
	2020	Options	150,000	1-Oct-20	C\$0.095	C\$0.095	C\$0.15	1-Oct-30
Bruce Jaffee <sup>(4)</sup> <i>Former and Proposed Director</i>	2021	Options	294,600	10-Mar-21	C\$0.275	C\$0.25	C\$1.68	10-Mar-31
	2020	Options	150,000	1-Oct-20	C\$0.095	C\$0.095	C\$0.15	1-Oct-30

**Notes:**

- (1) Mr. Tringali was appointed to the Board on April 21, 2021.
- (2) Mr. Camhi was appointed to the Board on July 22, 2021.
- (3) Mr. Apker was appointed to the Board on June 3, 2020.
- (4) Mr. Jaffe resigned from the Board on June 3, 2020. Mr. Jaffe is being proposed for election at the Meeting.
- (5) Such RSUs vest quarterly commencing on January 1, 2022.

The following table sets forth each exercise by a director or NEO of compensation securities during the recently completed financial year ended December 31, 2021.

**Exercise of Compensation Securities by Directors and NEOs**

<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise</b>	<b>Difference between exercise price and closing price on date of exercise</b>	<b>Total value on exercise date</b>
Stephen Gledhill <i>Chief Financial Officer</i>	Options	200,000	C\$0.15	4-Oct-21	C\$1.52	C\$1.47	C\$294,000

**Pension Plan Benefits**

As of the date of this Information Circular, there are no pensions plans for any NEO that provided for payments or benefits at, following or in connection with retirement.

**External Management Companies**

Other than with respect to the Keshill Agreement, no directors or NEOs of the Company have been retained or employed by an external management company that has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

## SECURITY BASED COMPENSATION ARRANGEMENTS

### *Equity Compensation Plan Information*

The following table sets forth details of all equity compensation plans of the Company as of the end of the financial year ended December 31, 2021. The Company has adopted two equity compensation plans, the Equity Incentive Plan and the stock option plan adopted by the Board on April 5, 2019 (the "**Stock Option Plan**").

Plan Category	Plan Name	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	N/A	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Equity Incentive Plan and the Stock Option Plan	17,418,387	C\$0.247	9,632,353
<b>TOTAL</b>		17,418,387	C\$0.247	9,632,353

### *Summary of Terms and Conditions of the Equity Incentive Plan*

#### Purpose of the Equity Incentive Plan

On December 1, 2021, the Board adopted the Equity Incentive Plan to: (a) enable the Company in attracting and retaining the types of directors, officers, consultants, and employees that will contribute to the Company's success; (b) provide incentives that align the interests of officers, directors, consultants and employees with those of the shareholders of the Company; and promote the success of the Company's business, among other purposes.

Stock options ("**Options**"), restricted stock awards ("**Restricted Stock**") and restricted stock unit awards ("**RSUs**", and collectively, "**Awards**") are issued pursuant to the Equity Incentive Plan.

#### Administration of the Equity Incentive Plan

The Equity Incentive Plan is administered by the Board which has the power, subject to the specific provisions of the Equity Incentive Plan, to, among other things: (a) construe and interpret the Equity Incentive Plan and apply its provisions; (b) promulgate, amend, and rescind rules and regulations relating to the administrations of the Equity Incentive Plan; (c) authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Equity Incentive Plan; (d) delegate its authorities to one or more officers of the Company; (e) determine when Awards are to be granted under the Equity Incentive Plan and the applicable grant date; (f) from time to time select, subject to the limitations set forth in the Equity Incentive Plan, those to whom Awards shall be granted; (g) determine the number of Common Shares to be made subject to each Award; (h) determine types of Options; (i) prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award agreement relating to such grant; (j) amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a participant's (a "**Participant**") rights or increases a Participant's obligations under his or her Award or creates or increases a Participant's federal income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent; (k) to determine the duration and purpose of leaves of absences which may be granted to a participant without constituting termination of their employment for purposes of the Equity Incentive Plan, which periods shall be no shorter than the periods generally applicable to Company employees under the Company's employment policies; (l) to make decisions with respect to outstanding Awards that may become necessary upon a change in corporate control or an event that triggers

anti-dilution adjustments; and (m) to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Equity Incentive Plan and any instrument or agreement relating to, or Award granted under, the Equity Incentive Plan; and (n) to exercise discretion to make any and all other determinations which it determines to be necessary or advisable for the administration of the Equity Incentive Plan.

#### Eligible Persons

The Equity Incentive Plan authorizes the Board to grant Awards to directors, executive officers, consultants, and employees of the Company and its affiliates.

#### Common Shares Subject to the Equity Incentive Plan

A total of 10,000,000 Common Shares shall be available for the grant of Awards under the Equity Incentive Plan; provided that the maximum number of Options that may be designated as "incentive stock options" (as defined by the United States Internal Revenue Code of 1986, as amended) is set at 10,000,000 Common Shares ("**ISOs**"). Any Common Share subject to an Award that is canceled, forfeited or expires prior to exercise or realization, either in full or in part, shall again become available for issuance under the Equity Incentive Plan.

#### Options

Options granted under the Equity Incentive Plan shall be separately designated ISO or non-ISOs. The Equity Incentive Plan includes customary limitations and restrictions applicable to ISOs.

Each Option granted pursuant to the Equity Incentive Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Equity Incentive Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Board at the time of the grant have been satisfied. The Equity Incentive Plan allows for the exercise price of an Option to be satisfied by payment of cash or, in the discretion of the Board, a cashless exercise or net exercise procedure or such other mechanism approved by the Board.

A person participating in the Equity Incentive Plan will cease to be eligible to participate where Continuous Service (as defined in the Equity Incentive Plan) is terminated. In such circumstances, unless otherwise determined by the Board in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the expiration of the Option; and (ii) three months after the date of such termination (or, in the case of a death or disability, six months after the date of such termination). If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

The Board will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Fair Market Value on the date of grant. "Fair Market Value" is defined in the Equity Incentive Plan as of any date, the closing price of the Common Shares on the CSE on the date of grant of the Option, provided that if the Common Shares are not listed on a stock exchange or quotation system, the Fair Market Value shall be determined in good faith by the Board.

No Option shall be exercisable after ten (10) years from the date the Option is granted.

Options (other than ISOs) granted under the Equity Incentive Plan cannot be transferred or assigned without the approval of the Board. ISOs granted under the Equity Incentive Plan may only be transferred or assigned by will or by the laws of descent and distribution.

#### Restricted Shares

Each Participant granted Restricted Shares shall execute and deliver to the Company an Award agreement with respect to the Restricted Share setting forth the restrictions and other terms and conditions applicable to such Restricted Share. Restricted Shares awarded to a Participant shall be subject to the following restrictions until the expiration of the restricted period, commencing on the grant date and ending at the time or times set forth on a schedule established by

the Board ("**Restricted Period**") and to such other terms and conditions as may be set forth in the applicable Award agreement.

Upon the expiration of the Restricted Period with respect to any Restricted Shares, the restrictions set forth above and the applicable Award agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement.

The applicable Award agreement may, but need not, provide that such Restricted Shares may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose prior to the vesting of the applicable Restricted Shares.

### RSUs

RSUs awarded to an Participant shall be subject to (i) forfeiture until the expiration of the Restricted Period and satisfaction of any applicable performance goals during such period, to the extent provided in the applicable Award agreement, and to the extent such RSUs are forfeited, all rights of the Participant to such RSUs shall terminate without further obligation on the part of the Company and (ii) such other terms and conditions as may be set forth in the applicable Award agreement.

Upon the expiration of the Restricted Period with respect to any outstanding RSUs, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one Common Share for each outstanding RSU and any dividend equivalent payments credited to the Participant's account with respect to such RSUs and the interest thereon, if any; provided, however, that if explicitly provided in the Award agreement, the Board may, in its sole discretion, elect to pay cash or part cash and part Common Share in lieu of delivering only Common Shares for vested RSUs. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of a Common Share as of the date on which the Restricted Period lapsed.

The applicable Award agreement may, but need not, provide that such RSUs may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose prior to the vesting of the applicable RSU.

### Termination

The Equity Incentive Plan shall terminate automatically on December 1, 2029. No Award shall be granted pursuant to the Equity Incentive Plan after such date, but Awards theretofore granted may extend beyond that date. The Board may suspend or terminate the Equity Incentive Plan at any earlier date. No Awards may be granted under the Plan while the Equity Incentive Plan is suspended or after it is terminated.

### Adjustments

In the event of any declaration by the Company of any stock or extraordinary cash dividend, or any subdivision or consolidation of Shares, reclassification or conversion of the Common Shares, or any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization, the Board may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Awards outstanding under the Equity Incentive Plan, the price and kind of securities or other property to be received upon exercise or redemption thereof, or other consideration subject to such Awards to the extent necessary to preserve the economic intent of such Award.

### Change of Control

As set out in the Equity Incentive Plan, in the event of a Change of Control (as defined in the Equity Incentive Plan) of the Company, the Board may but shall not be obligated to: (a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of any Award; (b) cancel Awards and cause to be paid to the holders of vested Awards the value of such Awards, if any, as determined by the Board, in its sole discretion, it being understood that in the case of any options with an option exercise price that equals or exceeds the price paid for a Common Share in connection with the Change of Control, the Board may cancel the option without the payment of consideration therefor; (c)

provide for the issuance of substitute Awards or the assumption or replacement of such Awards; (d) provide written notice to participants that for a period of at least ten days prior to the Change of Control, such Awards shall be exercisable, to the extent applicable, as to all Common Shares subject thereto and upon the occurrence of the Change of Control, any Awards not so exercised shall terminate and be of no further force and effect.

#### Acceleration of Awards

The Board shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Equity Incentive Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

#### Amendment Procedure

The Board at any time, and from time to time, may amend or terminate the Equity Incentive Plan. However, except as provided in the Equity Incentive Plan, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy any applicable laws. At the time of such amendment, the Board shall determine, upon advice from counsel, whether such amendment will be contingent on shareholder approval.

#### Other Terms

It is not currently anticipated that any financial assistance or support agreements will be provided to Participants by the Company or any related entity of the Company.

#### ***Summary of Terms and Conditions of the Stock Option Plan***

##### Purpose of the Equity Incentive Plan

On April 5, 2019, the Board adopted the Stock Option Plan to give eligible persons the opportunity to participate in the success of the Company.

Only Options may be issued pursuant to the Stock Option Plan.

##### Administration of the Stock Option Plan

The Stock Option Plan is administered by the Board which has the power, subject to the specific provisions of the Stock Option Plan, to, among other things: (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Stock Option Plan; (b) interpret and construe the Stock Option Plan and to determine all questions arising out of the Stock Option Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes; (c) determine the number of Common Shares issuable on the exercise of each Option, the exercise price thereunder and the time or times when the Options will be granted, exercisable and expire; (d) determine if the Common Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; (e) prescribe the form of the instruments relating to the grant, exercise and other terms of Options; and (f) determine, in accordance with the Stock Option Plan, how to administer the Plan in connection with a Change of Control Event (as defined in the Stock Option Plan).

##### Eligible Persons

The Stock Option Plan authorizes the Board to grant Options to directors, senior officers, consultants, and employees of the Company and its affiliates.

##### Common Shares Subject to the Stock Option Plan

A total of 16,110,000 Common Shares shall be available for the grant of Options under the Stock Option Plan. Any Common Share subject to an Option that is canceled, forfeited or expires prior to exercise or realization, either in full or in part, shall again become available for issuance under the Stock Option Plan.



## Options

Each Option granted pursuant to the Stock Option Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Stock Option Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Board at the time of the grant have been satisfied. The Stock Option Plan allows for the exercise price of an Option to be satisfied by payment of cash or, in the discretion of the Board, a cashless exercise or net exercise procedure or such other mechanism approved by the Board.

A person participating in the Stock Option Plan will cease to be eligible to participate where the participant ceases to be an Eligible Participant (as defined in the Stock Option Plan). In such circumstances, unless otherwise determined by the Board in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the expiration of the Option; and (ii) 90 days after the date of such termination (or, in the case of a death or disability, 12 months after the date of such termination). If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

The Board will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Market Price on the date of grant. "Market Price" is defined in the Stock Option Plan as of any date, the greater of the closing price of the Common Shares on the CSE on: (i) the date of grant of the Option; and (ii) the trading day prior to the date of grant of the Options, provided that if the Common Shares are not listed on a stock exchange or quotation system, the Market Price shall be determined in good faith by the Board.

No Option shall be exercisable after ten (10) years from the date the Option is granted.

The Stock Option Plan contains customary limits relating to the issuance of Options to any one individual or corporation, the issuance of Options to consultants during a 12 month period and the issuance of Options to persons conducting investor relations activities in any 12 month period.

Options granted under the Stock Option Plan cannot be transferred or assigned without the approval of the Board, unless such assignment is to a company that is wholly owned by the participant.

## Termination and Amendments

The Board at any time, and from time to time, may amend or terminate the Stock Option Plan. However, except as provided in the Stock Option Plan, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy any applicable laws.

## Adjustments

In the event of any declaration by the Company of any stock or extraordinary cash dividend, or any subdivision or consolidation of Shares, reclassification or conversion of the Common Shares, or any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization, the Board may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options outstanding under the Stock Option Plan, the price and kind of securities or other property to be received upon exercise or redemption thereof, or other consideration subject to such Options to the extent necessary to preserve the economic intent of such Option.

## Change of Control

As set out in the Stock Option Plan, in the event of a Change of Control Event (as defined in the Stock Option Plan) of the Company, the Board may but shall not be obligated to: (a) accelerate, vest or cause the restrictions to lapse with respect or all or any portion of any Option; and (b) provide for the assumption or replacement of such Options,

provided that any such replacement Option must provide that it survives for a period of not less than one year from the effective time of the Change of Control Event.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Common Shares of the Company or for any other reason and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement or understanding provided by the Company or any of its subsidiaries.

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

Other than as set forth herein, the Company is not aware of any of the directors or executive officers of the Company at any time since January 1, 2019, any proposed nominee for election as a director of the Company, or any associate or affiliate of any of these persons having any material interest, direct or indirect, in the matters to be acted upon at the Meeting other than the election of directors or appointment of auditors, by way of beneficial ownership of securities or otherwise.

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

To the best of the Company's knowledge, since January 1, 2019, no informed person of the Company, proposed nominee for director or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Information Circular, an "informed person" of the Company means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Common Shares.

#### **MANAGEMENT CONTRACTS**

Other than the Keshill Agreement, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted. See "*Statement of Executive Compensation*" for more information.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matters which will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting; the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

#### **REGISTRAR AND TRANSFER AGENT**

Computershare Investors Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, is the registrar and transfer agent for the Common Shares.

#### **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or Company, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial

statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and

- (b) the management information circular of the Company in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company at 11915 124<sup>th</sup> Ave NE, Kirkland, WA 98034, U.S, free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or Company who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials to shareholders permit the Company and brokerage firms to send one copy of the meeting materials to multiple shareholders who share the same address under certain circumstances. Shareholders who hold their Common Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company at 11915 124<sup>th</sup> Ave NE, Kirkland, WA 98034, U.S, or by email at [investors@posabit.com](mailto:investors@posabit.com). Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Common Shares through a broker can request a single copy by contacting the broker.

#### **BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Toronto, Ontario, this 13<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) "Ryan Hamlin"*  
\_\_\_\_\_  
Ryan Hamlin  
Co-Founder and Chief Executive Officer

**Schedule "A"**

**Reporting Package for Change of Auditor**

**(see attached)**

**POSaBIT SYSTEMS CORPORATION  
(the "Corporation")**

**NOTICE OF CHANGE OF AUDITOR**

**TO: DALE MATHESON CARR-HILTON LABONTE LLP, CHARTERED  
PROFESSIONAL ACCOUNTANTS**

**AND TO: ARMANINO, LLP, CHARTERED PROFESSIONAL ACCOUNTANTS**

**AND TO: ONTARIO SECURITIES COMMISSION  
BRITISH COLUMBIA SECURITIES COMMISSION  
ALBERTA SECURITIES COMMISSION**

**TAKE NOTICE THAT:**

- (a) Effective on November 16, 2021, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (the "**Former Auditor**") at the request of the Corporation resigned as the Corporation's auditor;
- (b) the Corporation has appointed Armanino, LLP, Chartered Professional Accountants (the "**Successor Auditor**") as the auditor of the Corporation, effective November 30, 2021, subject to all applicable regulatory requirements;
- (c) the resignation of the Former Auditor and the recommendation to appoint the Successor Auditor were considered by the Audit Committee and approved by the Board of Directors of the Corporation;
- (d) there were no modified opinions expressed in the Former Auditor's reports on any of the financial statements of the Corporation commencing at the beginning of the two most recently completed fiscal years and ending on December 31, 2020, and in the period to the date of this Notice; and
- (e) in the opinion of the Corporation, there are no reportable events (as defined in section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*).

**DATED** this 30<sup>th</sup> day of November 2021

**BY ORDER OF THE BOARD**

*"Stephen Gledhill"*

Stephen Gledhill  
Chief Financial Officer



**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

December 1, 2021

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

**Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

Dear Sirs:

**Re: POSaBIT Systems Corporation (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated November 30, 2021 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in black ink that reads 'DMCL'.

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

December 1, 2021

**Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission**

**Re: POSaBIT (the "Company")  
Notice Pursuant to National Instrument 51-102 - Change of Auditor**

Dear Sirs/Mesdames:

As required by the National Instrument 51-102 and in connection with our appointment as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated November 30, 2021 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



Armanino<sup>LLP</sup>

**Schedule "B"**  
**Equity Incentive Plan**  
**(see attached)**



## POSABIT SYSTEMS CORPORATION

### 2021 EQUITY INCENTIVE PLAN

#### 1. Purpose; Eligibility.

1.1 General Purpose. The name of this plan is the POSaBIT Systems Corporation 2021 Equity Incentive Plan (the “**Plan**”). The purposes of the Plan are to (a) enable POSaBIT Systems Corporation, a corporation incorporated pursuant to the laws of British Columbia, Canada (the “**Company**”), to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company’s long term success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the shareholders of the Company; and (c) promote the success of the Company’s business.

1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Consultants, Executive Officers and Directors of the Company and its Affiliates.

1.3 Available Awards. Awards that may be granted under the Plan include: (a) Incentive Stock Options, (b) Non-Qualified Stock Options, (c) Restricted Stock and (d) Restricted Stock Units.

#### 2. Definitions.

“**Affiliate**” means a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

“**Applicable Laws**” means the requirements related to or implicated by the administration of the Plan under applicable state corporate law, United States federal and state securities laws, the Code and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan.

“**Award**” means any right granted under the Plan, including an Option, a Restricted Stock Award or a Restricted Stock Unit Award.

“**Award Agreement**” means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan which may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

“**Board**” means the Board of Directors of the Company, as constituted at any time.

“**Cause**” means, unless the applicable Award Agreement provides otherwise:

With respect to any Employee or Consultant:

(a) If the Employee or Consultant is a party to an employment or service agreement with the Company or an Affiliate and such agreement provides for a definition of Cause, the definition contained therein;

(b) If no such agreement exists, or if such agreement does not define Cause: (i) failure to perform such duties as are reasonably requested by the Board; (ii) material breach of any agreement with the Company or an Affiliate, or a material violation of the Company's or an Affiliate's code of conduct or other written policy; (iii) commission of, or plea of guilty or no contest to, a felony or a crime involving moral turpitude or the commission of any other act involving willful malfeasance or material fiduciary breach with respect to the Company or an Affiliate; (iv) use of illegal drugs or abuse of alcohol that materially impairs the Participant's ability to perform his or her duties to the Company or an Affiliate; or (v) gross negligence or willful misconduct with respect to the Company or an Affiliate.

With respect to any Director, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (a) malfeasance in office;
- (b) gross misconduct or neglect;
- (c) false or fraudulent misrepresentation inducing the Director's appointment;
- (d) willful conversion of corporate funds; or
- (e) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

**"Change in Control"** means:

(a) The acquisition (whether by purchase, merger, consolidation, combination or other similar transaction) by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% (on a fully diluted basis) of the combined voting power of the then outstanding voting securities of the Company; *provided, however*, that for purposes of this Plan, the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company or any Affiliate, (B) any acquisition by any employee benefit plan sponsored or maintained by the Company or any subsidiary, (C) in respect of an Award held by a particular Participant, any acquisition by the Participant or any group of persons including the Participant (or any entity controlled by the Participant or any group of persons including the Participant); or (D) the acquisition of securities pursuant to an offer made to the general public through a registration statement filed with the Securities and Exchange Commission; or

(b) The sale, transfer or other disposition of all or substantially all of the assets of the Company to any Person other than an Affiliate.

**"Code"** means the Internal Revenue Code of 1986, as it may be amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

**“Committee”** means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.4 and Section 3.5 or, if no such appointment has occurred, the Board.

**“Common Stock”** means the common stock of the Company.

**“Company”** means POSaBIT Systems Corporation a corporation incorporated pursuant to the laws of British Columbia, Canada, and any successor thereto.

**“Consultant”** means a person other than an Employee, Executive Officer, or Director of the Company that

(a) is engaged to provide services to the Company, other than services provided in relation to a distribution;

(b) provides the services under a written contract with the Company; and

(c) spends or will spend a significant amount of time and attention on the affairs and business of the Company

and includes

(a) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder and a partnership of which the individual consultant is an employee or partner; and

(b) for a consultant that is not an individual, an Employee, Executive Officer, or Director of the consultant, provided that the individual Employee, Executive Officer, or Director spends or will spend a significant amount of time and attention on the affairs and business of the Company.

**“Continuous Service”** means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, *provided that* there is no interruption or termination of the Participant’s Continuous Service; *provided further that* if any Award is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence.

**“Detrimental Activity”** means any of the following: (i) unauthorized disclosure of any confidential or proprietary information of the Company or any of its Affiliates; (ii) any activity that would be grounds to terminate the Participant’s employment or service with the Company or any of its subsidiaries for Cause; (iii) the breach of any non-competition, non-solicitation, non-disparagement or other agreement containing

restrictive covenants, with the Company or its Affiliates; (iv) fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion; or (v) any other conduct or act determined to be materially injurious, detrimental or prejudicial to any interest of the Company or any of its Affiliates, as determined by the Committee in its sole discretion.

**“Director”** means a member of the Board.

**“Disability”** means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment; *provided, however*, for purposes of determining the term of an Incentive Stock Option pursuant to Section 6.10 hereof, the term Disability shall have the meaning ascribed to it under Section 22(e)(3) of the Code. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. Except in situations where the Committee is determining Disability for purposes of the term of an Incentive Stock Option pursuant to Section 6.10 hereof within the meaning of Section 22(e)(3) of the Code, the Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

**“Disqualifying Disposition”** has the meaning set forth in Section 14.10.

**“Effective Date”** shall mean the date as of which this Plan is adopted by the Board.

**“Employee”** means any person, including an officer or Director, employed by the Company or an Affiliate; *provided, that*, for purposes of determining eligibility to receive Incentive Stock Options, an Employee shall mean an employee of the Company or a parent or subsidiary corporation within the meaning of Section 424 of the Code. Mere service as a Director or payment of a director’s fee by the Company or an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and any successor thereto.

**“Executive Officer”** means an individual who is

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the Company.

**“Fair Market Value”** means, on a given date, (i) if there is a public market for the shares of Common Stock on such date, the closing price of the shares as reported on such date on the principal national securities exchange on which the shares are listed or, if no sales of shares have been reported on any national securities exchange, then the immediately preceding date on which sales of the shares have been so reported or quoted, and (ii) if there is no public market for the shares of Common Stock on such date, then the fair market value shall be determined by the Committee in good faith after taking into consideration all factors which it deems appropriate, including, without limitation, Sections 409A and 422 of the Code.

**“Grant Date”** means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

**“Incentive Stock Option”** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

**“Non-Qualified Stock Option”** means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

**“Option”** means a non-assignable, non-transferable right to purchase Common Stock under this Plan.

**“Optionholder”** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

**“Option Exercise Price”** means the price at which a share of Common Stock may be purchased upon the exercise of an Option.

**“Participant”** means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

**“Permitted Transferee”** means: (a) any corporation in respect of which the original Optionholder is the sole shareholder or (b) such other transferees as may be permitted by the Committee in its sole discretion.

**“Person”** means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

**“Plan”** means this POSaBIT Systems Corporation 2021 Equity Incentive Plan and any sub-plans created pursuant to Section 14.2, as amended and/or amended and restated from time to time.

**“Restricted Period”** has the meaning set forth in Section 7.1.

**“Restricted Stock”** means Common Stock, subject to certain specified restrictions (including, without limitation, a requirement that the Participant provide Continuous Service for a specified period of time) granted under Section 7 of the Plan.

**“Restricted Stock Unit”** means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (including, without limitation, a requirement that the Participant provide Continuous Service for a specified period of time) granted under Section 7 of the Plan.

**“Ten Percent Shareholder”** means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

3. Administration.

3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) to delegate its authority to one or more officers of the Company;
- (e) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
- (f) from time to time to select, subject to the limitations set forth in this Plan, those Participants to whom Awards shall be granted;
- (g) to determine the number of shares of Common Stock to be made subject to each Award;
- (h) to determine whether each Option is to be an Incentive Stock Option or a Non-Qualified Stock Option;
- (i) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;
- (j) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; *provided, however,* that if any such amendment impairs a Participant's rights or increases a Participant's obligations under his or her Award or creates or increases a Participant's federal income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;
- (k) to determine the duration and purpose of leaves of absences which may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(l) to make decisions with respect to outstanding Awards that may become necessary upon a change in corporate control or an event that triggers anti-dilution adjustments;

(m) to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and

(n) to exercise discretion to make any and all other determinations which it determines to be necessary or advisable for the administration of the Plan.

3.2 Acquisitions and Other Transactions. The Committee may, from time to time, assume outstanding awards granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either (i) granting an Award under the Plan in replacement of or in substitution for the award assumed by the Company, or (ii) treating the assumed award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under the Plan. Such assumed award shall be permissible if the holder of the assumed award would have been eligible to be granted an Award hereunder if the other entity had applied the rules of this Plan to such grant. The Committee may also grant Awards under the Plan in settlement of or in substitution for outstanding awards or obligations to grant future awards in connection with the Company or an Affiliate acquiring another entity, an interest in another entity, or an additional interest in an Affiliate whether by merger, stock purchase, asset purchase or other form of transaction.

3.3 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on the Company and the Participants, unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

3.4 Delegation. The Committee, or if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "**Committee**" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.5 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of two or more Directors appointed to the Committee from time to time by the Board.

3.6 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (*provided, however,* that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however,* that within 60 days after institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

#### 4. Shares Subject to the Plan.

4.1 Subject to adjustment in accordance with Section 11, a total of 10,000,000 shares of Common Stock shall be available for the grant of Awards under the Plan; *provided that*, no more than 10,000,000 shares of Common Stock may be granted as Incentive Stock Options. During the terms of the Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Awards.

4.2 Shares of Common Stock available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

4.3 Any shares of Common Stock subject to an Award that is canceled, forfeited or expires prior to exercise or realization, either in full or in part, shall again become available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation.

4.4 If the Committee authorizes the assumption of awards pursuant to Section 3.2 or Section 12.1 hereof, the assumption will reduce the number of shares available for issuance under the Plan in the same manner as if the assumed awards had been granted under the Plan.

#### 5. Eligibility.

5.1 Eligibility for Specific Awards. Incentive Stock Options may be granted to Employees only. Awards other than Incentive Stock Options may be granted to Employees, Consultants and Directors.

5.2 Ten Percent Shareholders. A Ten Percent Shareholder shall not be granted an Incentive Stock Option unless the Option Exercise Price is at least 110% of the Fair Market Value of the Common Stock at the Grant Date and the Option is not exercisable after the expiration of five years from the Grant Date.



## 6. Options.

6.1 Option Provisions. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. All Options shall be separately designated Incentive Stock Options or Non-Qualified Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. Notwithstanding the foregoing, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the requirements of Section 409A of the Code. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions of Sections 6.2 through 6.13 hereof.

6.2 Term. Subject to the provisions of Section 5.2 regarding Ten Percent Shareholders, no Incentive Stock Option shall be exercisable after the expiration of 10 years from the Grant Date. The term of a Non-Qualified Stock Option granted under the Plan shall be determined by the Committee; *provided, however*, no Non-Qualified Stock Option shall be exercisable after the expiration of 10 years from the Grant Date.

6.3 Exercise Price of an Incentive Stock Option. Subject to the provisions of Section 5.2 regarding Ten Percent Shareholders, the Option Exercise Price of each Incentive Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an Option Exercise Price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

6.4 Exercise Price of a Non-Qualified Stock Option. The Option Exercise Price of each Non-Qualified Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date. Notwithstanding the foregoing, a Non-Qualified Stock Option may be granted with an Option Exercise Price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 409A of the Code.

6.5 Method of Exercise. The Option Exercise Price shall be paid, to the extent permitted by Applicable Laws, either (a) in cash or by certified or bank check at the time the Option is exercised or (b) in the discretion of the Committee, upon such terms as the Committee shall approve: (i) by delivery to the Company of other shares of Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Option Exercise Price (or portion thereof) due for the number of shares being acquired; (ii) by a “net exercise” procedure effected by withholding the minimum number of shares of Common Stock otherwise issuable in respect of an Option that are needed to pay the Option Exercise Price; (iii) by any combination of the foregoing methods; or (iv) in any other form of legal consideration that may be acceptable to the Committee. Unless otherwise specifically provided in the Option, the Option Exercise Price that is paid by delivery to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of Common Stock that have been held for more than six months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

6.6 Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.7 Transferability of a Non-Qualified Stock Option. A Non-Qualified Stock Option may, in the sole discretion of the Committee, be transferable to a Permitted Transferee, upon written approval by the Committee to the extent provided in the Award Agreement. If the Non-Qualified Stock Option does not provide for transferability, then the Non-Qualified Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.8 Vesting of Options. Each Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

6.9 Termination of Continuous Service. Unless otherwise provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, in the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (a) the date three months following the termination of the Optionholder's Continuous Service or (b) the expiration of the term of the Option as set forth in the Award Agreement; *provided that*, if the termination of Continuous Service is by the Company for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Award Agreement, the Option shall terminate.

6.10 Disability of Optionholder. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (a) the date 6 months following such termination or (b) the expiration of the term of the Option as set forth in the Award Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein or in the Award Agreement, the Option shall terminate.

6.11 Death of Optionholder. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the Optionholder's death, but only within the period ending on the earlier of (a) the date 6 months following the date of death or (b) the expiration of the term of such Option as set forth in the Award Agreement. If, after the Optionholder's death,

the Option is not exercised within the time specified herein or in the Award Agreement, the Option shall terminate.

6.12 Incentive Stock Option \$100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds \$100,000, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Non-Qualified Stock Options.

6.13 Detrimental Activity. Unless otherwise provided in an Award Agreement, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable on the date on which an Optionholder engages in Detrimental Activity.

## 7. Restricted Awards.

7.1 General. A Restricted Award is an Award of actual shares of Common Stock (“**Restricted Stock**”) or an Award of hypothetical Common Stock Units (“**Restricted Stock Units**”) having a value equal to the Fair Market Value of an identical number of shares of Common Stock. Restricted Awards may, but need not, provide that such Restricted Award may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose for such period (the “**Restricted Period**”) as the Committee shall determine. Each Restricted Award granted under the Plan shall be evidenced by an Award Agreement. Each Restricted Award so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

7.2 Restricted Stock. Each Participant granted Restricted Stock shall execute and deliver to the Company an Award Agreement with respect to the Restricted Stock setting forth the restrictions and other terms and conditions applicable to such Restricted Stock. If the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee, if applicable and (B) the appropriate blank stock power with respect to the Restricted Stock covered by such agreement. If a Participant fails to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock power, the Award shall be null and void. Subject to the restrictions set forth in the Award, the Participant generally shall have the rights and privileges of a shareholder as to such Restricted Stock, including the right to vote such Restricted Stock and the right to receive dividends; *provided that*, any dividends with respect to the Restricted Stock shall be withheld by the Company for the Participant’s account, and interest may be credited on the amount of the cash dividends withheld at a rate and subject to such terms as determined by the Committee. The dividends so withheld by the Committee and attributable to any particular share of Restricted Stock (and earnings thereon, if applicable) shall be distributed to the Participant in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, if applicable, upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such dividends.

7.3 Restricted Stock Units. The terms and conditions of a grant of Restricted Stock Units shall be reflected in an Award Agreement. No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder. To the extent provided in an Award Agreement, the holder of Restricted Stock Units

shall be entitled to be credited with dividend equivalent payments (upon the payment by the Company of dividends on shares of Common Stock) either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends (and interest may, at the sole discretion of the Committee, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as provided by the Committee), which accumulated dividend equivalents (and interest thereon, if applicable) shall be payable to the Participant upon the release of restrictions on such Restricted Stock Units, and if such Restricted Stock Units are forfeited, the Participant shall have no right to such dividend equivalent payments.

#### 7.4 Restrictions.

(a) Restrictions on Restricted Stock. Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Award Agreement: (A) if an escrow arrangement is used or the Company is to hold the Restricted Stock, the Participant shall not be entitled to delivery of the stock certificate; (B) the shares shall be subject to the restrictions on transferability set forth in the Award Agreement; (C) the shares shall be subject to forfeiture to the extent provided in the applicable Award Agreement; and (D) to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Participant to such shares and as a shareholder with respect to such shares shall terminate without further obligation on the part of the Company.

(b) Restrictions on Restricted Stock Units. Restricted Stock Units awarded to a Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period and satisfaction of any applicable performance goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such Restricted Stock Units are forfeited, all rights of the Participant to such Restricted Stock Units shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

(c) Committee Discretion to Remove Restrictions. The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock or Restricted Stock Units whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the Grant Date, such action is appropriate.

7.5 Restricted Period. The Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement; *provided, however*, that notwithstanding any such vesting dates, the Committee may in its sole discretion accelerate the vesting of any Restricted Award at any time and for any reason. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

7.6 Delivery of Restricted Stock and Settlement of Restricted Stock Units. Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in Section 7.4(a) and the applicable Award Agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) and any dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any. Upon the

expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock for each outstanding Restricted Stock Unit and any dividend equivalent payments credited to the Participant's account with respect to such Restricted Stock Units and the interest thereon, if any; *provided, however*, that if explicitly provided in the Award Agreement, the Committee may, in its sole discretion, elect to pay part cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock for vested Restricted Stock Units. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed.

No Restricted Award may be granted or settled for a fraction of a share of Common Stock.

8. Securities Law Compliance.

8.1 Securities Registration. No Awards shall be granted under the Plan and no shares of Common Stock shall be issued and delivered upon the exercise of Options granted under the Plan unless and until the Company and/or the Participant have complied with all applicable federal and state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction.

8.2 Representations; Legends. The Committee may, as a condition to the grant of any Award or the exercise of any Option under the Plan, require a Participant to (i) represent in writing that the shares of Common Stock received in connection with such Award are being acquired for investment and not with a view to distribution and (ii) make such other representations and warranties as are deemed appropriate by counsel to the Company. Each certificate representing shares of Common Stock acquired under the Plan shall bear a legend in such form as the Company deems appropriate.

9. Stock Proceeds.

9.1 Use of Proceeds from Stock. Proceeds from the sale of Common Stock pursuant to Awards, or upon exercise thereof, shall constitute general funds of the Company.

10. Miscellaneous Provisions.

10.1 Acceleration of Exercisability and Vesting. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

10.2 Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until such Participant has satisfied all requirements for exercise or settlement of the Award pursuant to its terms and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Stock certificate is issued, except as provided in Section 11.1 hereof.

10.3 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause, in accordance with such Employee's employment agreement; (b) the service of a Director pursuant to the By-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be; or (c) the service of an Consultant pursuant to the terms of any contract between the Consultant and the Company or an Affiliate and any applicable provisions of the law of the State in which the Company or the Affiliate is (or is deemed to be) incorporated.

10.4 Transfer; Approved Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing, in either case, except to the extent inconsistent with Section 409A of the Code if the applicable Award is subject thereto.

10.5 Withholding Obligations. To the extent provided by the terms of an Award Agreement and subject to the discretion of the Committee, the Participant may satisfy any federal, state, provincial or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (a) tendering a cash payment; (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award, *provided, however*, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law; or (c) delivering to the Company previously owned and unencumbered shares of Common Stock of the Company.

## 11. Changes in Stock.

11.1 Adjustments Upon Changes in Stock. In the event of changes in the outstanding Common Stock or in the capital structure of the Company by reason of any stock or extraordinary cash dividend, stock split, reverse stock split, an extraordinary corporate transaction such as any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization occurring after the Grant Date of any Award, Awards granted under the Plan and any Award Agreements, the exercise price of Options and the maximum number of shares of Common Stock subject to Awards stated in Section 4 will be equitably adjusted or substituted, as to the number, price or kind of a share of Common Stock or other consideration subject to such Awards to the extent necessary to preserve the economic intent of such Award. In the case of adjustments made pursuant to this Section 11.1; unless the Committee specifically determines that such adjustment is in the best interests of the Company or its Affiliates, the Committee shall, in the case of Incentive Stock Options, ensure that any adjustments under this Section 11.1 will not constitute a modification, extension or renewal of the Incentive Stock Options within the meaning of Section 424(h)(3) of the Code and in the case of Non-Qualified Stock Options, ensure that any adjustments under this Section 11.1 will not constitute a modification of such Non-Qualified Stock Options within the meaning of Section 409A of the Code.

## 12. Effect of Change in Control.

12.1 In the event of a Change in Control, the Committee may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of any Award;

(b) cancel Awards and cause to be paid to the holders of vested Awards the value of such Awards, if any, as determined by the Committee, in its sole discretion, it being understood that in the case of any Option with an Option Exercise Price that equals or exceeds the price paid for a share of Common Stock in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration therefor;

(c) provide for the issuance of substitute Awards or the assumption or replacement of such Awards; or

(d) provide written notice to Participants that for a period of at least ten days prior to the Change in Control, such Awards shall be exercisable, to the extent applicable, as to all shares of Common Stock subject thereto and upon the occurrence of the Change in Control, any Awards not so exercised shall terminate and be of no further force and effect.

12.2 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

### 13. Amendment of the Plan and Awards.

13.1 Amendment of the Plan. The Board at any time, and from time to time, may amend or terminate the Plan. However, except as provided in Section 11.1 relating to adjustments upon changes in Common Stock and Section 13.3, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy any Applicable Laws. At the time of such amendment, the Board shall determine, upon advice from counsel, whether such amendment will be contingent on shareholder approval.

13.2 Shareholder Approval. The Board may, in its sole discretion, submit any other amendment to the Plan for shareholder approval.

13.3 Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees, Consultants and Directors with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to the nonqualified deferred compensation provisions of Section 409A of the Code and/or to bring the Plan and/or Awards granted under it into compliance therewith.

13.4 No Impairment of Rights. Rights under any Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

13.5 Amendment of Awards. The Committee at any time, and from time to time, may amend the terms of any one or more Awards; *provided, however*, that the Committee may not affect any amendment which would otherwise constitute an impairment of the rights under any Award unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

#### 14. General Provisions.

14.1 Clawback; Forfeiture. Notwithstanding anything to the contrary contained herein, the Committee may, in its sole discretion, provide in an Award Agreement or otherwise that the Committee may cancel such Award if the Participant has engaged in or engages in any Detrimental Activity. The Committee may, in its sole discretion, also provide in an Award Agreement or otherwise that (i) if the Participant has engaged in or engages in Detrimental Activity, the Participant will forfeit any gain realized on the vesting, exercise or settlement of any Award, and must repay the gain to the Company and (ii) if the Participant receives any amount in excess of what the Participant should have received under the terms of the Award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company. Without limiting the foregoing, all Awards shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with Applicable Laws.

14.2 Sub-plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying blue sky, securities, tax or other laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

14.3 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

14.4 Recapitalizations. Each Award Agreement shall contain provisions required to reflect the provisions of Section 11.1.

14.5 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Stock or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

14.6 No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited or otherwise eliminated.



14.7 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

14.8 Section 409A. The Plan is intended to comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and administered to be in compliance therewith. Any payments described in the Plan that are due within the “short-term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6) month period immediately following the Participant’s termination of Continuous Service shall instead be paid on the first payroll date after the six-month anniversary of the Participant’s separation from service (or the Participant’s death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any Participant under Section 409A of the Code and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

14.9 Disqualifying Dispositions. Any Participant who shall make a “disposition” (as defined in Section 424 of the Code) of all or any portion of shares of Common Stock acquired upon exercise of an Incentive Stock Option within two years from the Grant Date of such Incentive Stock Option or within one year after the issuance of the shares of Common Stock acquired upon exercise of such Incentive Stock Option (a “**Disqualifying Disposition**”) shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Common Stock.

14.10 Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant’s death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant’s lifetime.

14.11 Expenses. The costs of administering the Plan shall be paid by the Company.

14.12 Severability. If any of the provisions of the Plan or any Award Agreement is held to be invalid, illegal or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

14.13 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

14.14 Non-Uniform Treatment. The Committee’s determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

## 15. Termination.

15.1 Termination or Suspension of the Plan. The Plan shall terminate automatically on December 1, 2029. No Award shall be granted pursuant to the Plan after such date, but Awards theretofore granted may extend beyond that date. The Board may suspend or terminate the Plan at any earlier date pursuant to Section 13.1 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

16.Choice of Law.

16.1 Choice of Law. The law of the State of Washington shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of law rules.

As adopted by the Board of Directors of POSaBIT Systems Corporation on December 1, 2021.

## POSABIT SYSTEMS CORPORATION

### 2021 EQUITY INCENTIVE PLAN CANADIAN SUB-PLAN

The following constitutes the provisions of the POSaBIT Systems Corporation 2021 Equity Incentive Plan (“**Omnibus Plan**”) applicable to Participants resident in Canada. This Sub-Plan is made pursuant to Section 14.2 of the Omnibus Plan effective [DATE].

#### 1.0 **Definitions.**

Except as otherwise defined in this Section 1.0, capitalized terms in this Sub-Plan have the same meaning given to them in the Omnibus Plan.

1.1 “**Eligible Canadian Participant**” means a Participant

- (a) who is employed or engaged in Canada; and
- (b) who has not reached their Termination Date.

1.2 “**Omnibus Plan**” means the POSaBIT Systems Corporation 2021 Equity Incentive Plan.

1.3 “**Sub-Plan**” means this plan, which is an international sub-plan of the Omnibus Plan.

1.4 “**Termination Date**” means, in respect of a Participant, the effective date on which the Company or the Participant, as applicable, terminates the Participant’s employment with the Company for any reason, whether lawful or unlawful, without regard for any period of notice of termination of employment pursuant to statute, contract, common law or otherwise, during which the Participant may be deemed to be employed but is not actively carrying out all of the Participant’s usual and customary duties of employment or during which the Participant is entitled to any other payments or benefits in relation to the termination of the Participant’s employment with the Company; provided that if applicable legislation requires the Company to recognize a period of time after the termination of the Participant’s employment for the purposes of the Plan, the Termination Date shall be the last day of such statutory period.

#### 2.0 **Purpose and Structure of this Sub-Plan.**

2.1 This Sub-Plan is established pursuant to Section 14.3 of the Omnibus Plan to achieve desired tax or other objectives in Canadian jurisdictions, and to comply with Applicable Laws that govern Awards in Canadian jurisdictions.

2.2 The total number of Common Shares authorized to be issued under the Omnibus Plan applies in the aggregate to both the Omnibus Plan, this Sub-Plan and any other sub-plans.

2.3 The terms and conditions of Awards granted under this Sub-Plan may be designed in accordance with the Omnibus Plan.

2.4 Notwithstanding Section 2.1, unless superseded by the terms of this Sub-Plan, the provisions of the Omnibus Plan will govern the operation of this Sub-Plan and apply to Participants and Awards under this Sub-Plan.

2.5 The Sub-Plan is not intended to be a salary deferral arrangement, as defined by subsection 248(1) of the *Income Tax Act* (Canada). Notwithstanding anything to the contrary in the Plan, to the extent required to avoid taxation as a salary deferral arrangement, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan after the end of the third year after the year for which the Award was granted shall instead be paid no later than the end of the third year after the year for which the Award was granted. Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any Participant if an Award is deemed to be a salary deferral arrangement and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

2.6 Any cash-settled Awards shall in any event be paid to the Participant within the time referred to in paragraph (k) of "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada).

### **3.0 Eligibility to Participate.**

Only Eligible Canadian Participants may become Participants under this Sub-Plan. The Board will, in its sole discretion, determine which Eligible Canadian Participants may from time to time be eligible to become a Participant in this Sub-Plan or receive an Award. No individual is eligible to become a Participant merely because of their position and attaining a position previously held by a Participant is no guarantee of participation in this Sub-Plan. Previous participation in this Sub-Plan or receipt of an Award in a year is no guarantee of participation or receipt of an Award in any subsequent year.

### **4.0 Termination of Employment.**

4.1 If a Participant's employment with the Company is terminated for Cause, or by the Participant's voluntary resignation, then, subject to applicable employment standards legislation:

- (a) the Participant shall not be eligible to receive an Award after the Termination Date, notwithstanding that all or part of an applicable plan year or participation period has completed; and
- (b) any Award, or part of it, granted to the Participant that has not vested as of the Termination Date, will expire and be forfeited on the Termination Date.

4.2 For certainty, Awards or portions of Awards forfeited in accordance with Section 4.1 will not be considered in determining any entitlement to statutory or common law termination notice, severance or payments in lieu of notice unless required by applicable employment standards legislation. There is no entitlement to damages in lieu of the lost opportunity to receive an Award or portions of Awards forfeited in accordance with Section 4.1. Upon termination without Cause for any reason, regardless of whether notice of termination is given or not given and regardless of whether the termination is lawful or unlawful, a Participant's only entitlements under this Sub-Plan will be the portion of Awards that are vested on the Participant's Termination Date.

4.3 Any reference in the Omnibus Plan or an Award Agreement to the date a Participant's employment or Continuous Service with the Company terminates is deemed to refer to the Participant's Termination Date.

## **5.0 Administration and Board Authority.**

The Company has delegated its full authority to administer this Sub-Plan to the Committee. Administration of this Sub-Plan will be in accordance with the Board's delegation of authority as described in Section 3.4 of the Omnibus Plan.

## **6.0 Amendment or Discontinuance of this Sub-Plan.**

The Board will have the right at any time and without notice to amend, modify or terminate the Omnibus Plan or this Sub-Plan. This Sub-Plan will automatically terminate in conjunction with the termination of the Omnibus Plan, unless otherwise provided by the Board.

## **7.0 Governmental Regulation/Compliance with Applicable Law.**

7.1 The Board may adopt rules or administrative guidelines relating to the operation and administration of this Sub-Plan to accommodate the specific requirements of the law and procedures of applicable jurisdictions.

7.2 Notwithstanding anything else in this Sub-Plan, the Board may impose conditions, restrictions, and limitations on the issuance of Common Shares under an Award unless and until the Board determines that the issuance complies with (a) all registration and prospectus requirements under the securities laws of the Canadian province in which a Participant resides, (b) all listing requirements of any securities exchange or similar entity on which the Common Shares are listed, (c) all Company policies and administrative rules, and (d) all other Applicable Laws.

7.3 For the purposes of this Sub-Plan, any reference in the Omnibus Plan or an Award Agreement to compliance with the Exchange Act or federal or state securities laws of the United States is deemed to include reference to the securities laws of the Canadian province in which a Participant resides.

7.4 Without limiting the generality of the foregoing, the Board is specifically authorized to adopt rules and procedures regarding handling of payroll deductions or other approved contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates that vary with local requirements. The Board may also adopt rules or administrative guidelines applicable to particular jurisdictions. If there is any conflict between the rules or practices adopted by the Board and this Sub-Plan, the terms of this Sub-Plan will govern.

## **8.0 Genders, Singular and Plural.**

Whenever used in this Sub-Plan, a pronoun will include all genders and the singular will include the plural, and the plural will include the singular, whenever the context requires.

## **9.0 Governing Law.**

Notwithstanding any choice of law provisions in the Omnibus Plan, this Sub-Plan is governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without giving effect to any choice or conflict of law provision, principle or rule of any other jurisdiction.

**10.0 Severability**

Should any provision of this Sub-Plan be determined by a court of competent jurisdiction to be unlawful or unenforceable in a jurisdiction, such determination will in no way affect the application of that provision in any other jurisdiction, or any of the remaining provisions of this Sub-Plan.

**Schedule "C"**

**Audit Committee Charter**

**(see attached)**

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS (the “Board”)  
OF POSABIT SYSTEMS CORPORATION  
(Adopted by the Board on January 27, 2017)**

**1.0 Purpose of the Committee**

- 1.1. The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

**2.0 Members of the Committee**

- 2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.
- 2.2 Each Member of the Audit Committee must be "financially literate" as defined under Multilateral Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

**3.0 Meeting Requirements**

- 3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.
- 3.2 A majority of the members of the Committee shall constitute a quorum.

**4.0 Duties and Responsibilities**

- 4.1 The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:
- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the “auditors”) who



perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;

- (o) review and monitor all related party transactions which may be entered into by the Company; and;
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board;

## **5.0 Miscellaneous**

- 5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.