

PRONTOFORMS CORPORATION

NOTICE

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the shareholders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of ProntoForms Corporation (the “**Corporation**”) will be held at the offices of the Corporation at 2500 Solandt Rd #250, Kanata, ON K2K 3G5 on June 25, 2020 at the hour of 10:00 am (Eastern time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2019, together with the report of the auditor thereon;
2. to elect the directors of the Corporation as more fully described in the section of the Corporation’s management information circular for the Meeting (the “**Circular**”) entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”;
3. to re-appoint KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration as more fully described in the section of the Circular entitled “Particulars of Matters to Be Acted Upon – 2. Appointment of Auditor”;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving an amendment to the Corporation’s stock option plan, as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 3. Amendment to Stock Option Plan”;
- and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

The Corporation is sending meeting-related materials to shareholders using Notice and Access. Notice and Access is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online.

The Circular, this Notice, a form of proxy, the audited annual financial statements of the Corporation for the year ended December 31, 2019 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and at <http://prontoforms.com/company/investor-relations.php>. Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting TSX Trust Company, the transfer agent of the Corporation at the toll free number 1-866-600-5869. In order for shareholders to receive the paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting it is recommended to contact the Corporation at the number above as soon as possible but not later than June 11, 2020.

IN LIGHT OF THE UNPRECEDENTED PUBLIC HEALTH IMPACT OF THE COVID-19 PANDEMIC AND GOVERNMENT RESTRICTIONS ON GATHERINGS, THE CORPORATION IS ATTEMPTING TO MITIGATE THE RISKS TO THE HEALTH AND SAFETY OF ITS COMMUNITY, SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS BY STRONGLY ENCOURAGING SHAREHOLDERS TO EXERCISE THEIR RIGHT TO VOTE ON THE MATTERS SCHEDULED TO COME BEFORE THE MEETING BY SUBMITTING PROXIES OR VOTING INSTRUCTIONS IN ADVANCE OF THE MEETING RATHER THAN ATTENDING THE MEETING IN PERSON. WE THANK ALL PARTIES AFFECTED FOR THEIR UNDERSTANDING.

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable.

In order for a registered shareholder to be represented by proxy at the Meeting, the shareholder must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1, not later than 10:00 a.m. (Eastern Time) on June 23, 2020 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. Registered shareholders may also vote or appoint a proxy by facsimile or on the Internet in accordance with the form of proxy.

Non-registered shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

DATED at Ottawa, Ontario this 13th day of May, 2020.

BY ORDER OF THE BOARD

“Terence Matthews”

Terence Matthews
Chairman

PRONTOFORMS CORPORATION
MANAGEMENT INFORMATION CIRCULAR
GENERAL PROXY RELATED INFORMATION

IN LIGHT OF THE UNPRECEDENTED PUBLIC HEALTH IMPACT OF THE COVID-19 PANDEMIC AND GOVERNMENT RESTRICTIONS ON GATHERINGS, THE CORPORATION IS ATTEMPTING TO MITIGATE THE RISKS TO THE HEALTH AND SAFETY OF ITS COMMUNITY, SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS BY STRONGLY ENCOURAGING SHAREHOLDERS TO EXERCISE THEIR RIGHT TO VOTE ON THE MATTERS SCHEDULED TO COME BEFORE THE MEETING BY SUBMITTING PROXIES OR VOTING INSTRUCTIONS IN ADVANCE OF THE MEETING RATHER THAN ATTENDING THE MEETING IN PERSON. WE THANK ALL PARTIES AFFECTED FOR THEIR UNDERSTANDING.

Management Solicitation

This Circular is furnished in connection with the solicitation of proxies by the management of the ProntoForms Corporation (the “**Corporation**”) for use at an annual meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of the Corporation to be held at the offices of the Corporation at 2500 Solandt Rd #250, Kanata, ON K2K 3G5 on June 25, 2020 at the hour of 10:00 am (Eastern time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2019, together with the report of the auditor thereon;
2. to elect the directors of the Corporation as more fully described below in the section entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”;
3. to re-appoint KPMG LLP (“**KPMG**”), Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration as more fully described below in the section entitled “Particulars of Matters to Be Acted Upon – 2. Appointment of Auditor”;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving an amendment to the Corporation’s stock option plan, as more fully described in the section entitled “Particulars of Matters to be Acted Upon – 3. Amendment to Stock Option Plan”; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

This solicitation is made by the management of the Corporation. It is expected that the solicitation will primarily be by mail. Proxies may also be solicited personally or by telephone by regular employees of and by agents engaged by the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of May 8, 2020.

The form of proxy (the “**Proxy**”) forwarded to Shareholders with the Notice of Meeting confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting.

Registered Shareholders – Voting by Proxy

The persons named in the enclosed form of proxy for the Meeting are officers of the Corporation.

A registered holder of Corporation Shares has the right to appoint some other person, who need not be a shareholder, to represent the Shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting such other person's name in the blank space provided or by executing another proper form of proxy.

Completed forms of proxy must be received by TSX Trust Company, the transfer agent of the Corporation, at 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1, not later than 10:00 a.m. (Eastern time) on June 23, 2020 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. Registered shareholders may also vote or appoint a proxy by facsimile or on the Internet in accordance with the form of proxy.

The form of proxy affords the registered Shareholder an opportunity to specify that the shares registered in his or her name shall be voted for, against or withheld from voting in respect of the matters to come before the Meeting, as applicable.

On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted for, against or withheld from voting in respect of the matters to come before the Meeting in accordance with the instructions given in such proxies.

In respect of proxies in which the Shareholders have not specified that the proxy nominees are required to vote for, against or withhold from voting in respect of the matters scheduled to come before the Meeting, the shares represented by the proxies in favour of management nominees will be voted **FOR** the matters described in the Notice of Meeting.

Management knows of no matters scheduled to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the proxy nominees.

A proxy given by a registered Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Any such instrument revoking a proxy must be deposited at the registered office of the Corporation, at 2500 Solandt Rd #250, Kanata, ON K2K 3G5 Attention: Chief Financial Officer, any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, or deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Non-Registered Holders – Voting Instruction Form

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are not registered shareholders (“**Beneficial Shareholders**”) because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the “**Intermediary**”) that the Beneficial Shareholder deals with in respect of such shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities

Administrators, the Corporation has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward the meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Beneficial Shareholders. If you are a Beneficial Shareholder, your name and address will appear on the voting instruction form sent to you by an Intermediary. A Beneficial Shareholder may vote or appoint a proxy by mail, phone, fax or on the Internet, as applicable, in accordance with the voting instruction form. Your Intermediary, as registered holder, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set by your Intermediary. If you or a person you designate plan to attend the meeting and vote you must appoint yourself or that person as proxy using the voting instruction form. Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instructions form is to be delivered.

A Beneficial Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Beneficial Shareholder's shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner of securities, and the issuer or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

Notice and Access

The Corporation is sending proxy-related materials to Shareholders using Notice and Access. Notice and Access is set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting, and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the audited annual financial statements of the Corporation for the year ended December 31, 2019 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and at <http://prontoforms.com/company/investor-relations.php>. Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting TSX Trust Company, the transfer agent of the Corporation at the toll free number 1-866-600-5869.

The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 -- Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on May 8, 2020 (the "**Record Date**") as the record date for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 120,098,988 common shares of the Corporation ("**Common Shares**") carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares	Percentage of Voting Rights
Terence Matthews ⁽¹⁾ Ottawa, Ontario	20,624,630	17.17%

Notes:

- (1) Of such shares, 20,579,630 are held by Wesley Clover International Corporation, a corporation indirectly controlled by Terence Matthews.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Each executive officer of the Corporation receives a base salary, which constituted the largest share of each officer's compensation package during the fiscal year ended December 31, 2019. Base salary is recognition for discharging job responsibilities and reflects the officer's performance over time, as well as that individual's particular experience and qualifications. For the fiscal year ended December 31, 2019 an officer's base salary was reviewed by the board of directors of the Corporation (the "**Board**") and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. In determining an officer's base salary, the Corporation relies solely on board discussion without any formal objectives, criteria and analysis, performance goals or benchmarks utilized.

In addition, officers and directors are eligible under the Corporation's stock option plan (the "**Stock Option Plan**") to receive grants of stock options. During the fiscal year ended December 31, 2019, the Stock Option Plan was an important part of the Corporation's long-term incentive strategy for its officers and directors, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of the stock option grants to officers and directors during the fiscal year ended December 31, 2019 was generally dependent on the Board's opinion as to each officer's and director's level of responsibility, authority and importance to the Corporation and the degree to which such officer's or director's long term contribution to the Corporation will be key to its long term success. Previous grants of option-based awards are not taken into account when considering new grants.

Compensation Risk

The Board considers and assesses, as necessary, the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as it believes are appropriate given the Corporation's relatively limited operating history, size and straightforward method of executive compensation. The Corporation's practice during the fiscal year ended December 31, 2019 of compensating its officers through a mix of salary and stock options was designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its shareholders. During the fiscal year ended December 31, 2019 the Board did not identify any risks arising from the Corporation's compensation policies and practices that the Board believed were reasonably likely to have a material adverse effect on the Corporation.

Financial Instruments

Except where prohibited by law, the Corporation’s executive officers and directors have not been prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. To the Corporation’s knowledge, no executive officer or director of the Corporation has entered into or purchased such a financial instrument.

The Corporation’s Insider Trading Policy stipulates that insiders of the Corporation should refrain from frequent buying and selling of the securities of the Corporation for the purpose of realizing the short-term profits and should acquire securities only as a long-term investment.

Compensation Governance

The Corporation established its Compensation Committee on March 8, 2017 (the “**Compensation Committee**”) and is tasked with, among other things, (i) reviewing and studying compensation and compensation plans for the Corporation and reporting on such matters to the Board; (ii) determining and making recommendations with respect to the Corporation’s compensation structure for directors and members of the senior executive team and (iii) reviewing the goals and objectives relevant to compensation of the Chief Executive Officer and other senior executives and evaluate performance in light of those goals and objectives as well as recommending changes to such goals and objectives to the Board for consideration.

The Board has not, at any time since the Corporation’s most recently completed fiscal year, retained a compensation consultant or advisor to assist the Compensation Committee or Board in determining the compensation for any of the Corporation’s executive officers’ or directors’ compensation.

Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation paid or awarded to the Corporation’s Named Executive Officers as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for each of the Corporation’s three most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Alvaro Pombo, President and Chief Executive Officer	2019	276,750	-	158,729 ⁽¹⁾	103,200	-	-	-	538,679
	2018	256,000	-	101,324 ⁽²⁾	40,000	-	-	-	397,324
	2017	247,500	-	147,623 ⁽³⁾	65,280	-	-	-	460,403
David Croucher, Chief Financial Officer	2019	205,550	-	42,734 ⁽¹⁾	60,540	-	-	-	308,824
	2018	200,100	-	27,280 ⁽²⁾	23,400	-	-	-	250,780
	2017	192,500	-	38,609 ⁽³⁾	37,740	-	-	-	268,849
Mark Scott, Vice President of Marketing	2019	219,250	-	42,734 ⁽¹⁾	53,875	-	-	-	315,859
	2018	208,558	-	27,280 ⁽²⁾	21,450	-	-	-	257,288
	2017	208,125	-	38,609 ⁽³⁾	34,680	-	-	-	281,414
Mansell Nelson, Senior Vice President of	2019	215,850	-	42,734 ⁽¹⁾	63,630	-	-	-	322,214
	2018	202,440	-	31,177 ⁽²⁾	20,500	-	-	-	254,117

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Business Development	2017	199,375	-	49,965 ⁽³⁾	57,200	-	-	-	306,540
Michael Cho, Senior Vice President Sales	2019	218,750	-	42,734 ⁽¹⁾	20,000	-	-	-	281,484
	2018	57,885 ⁽⁴⁾	-	109,118 ⁽¹⁾	-	-	-	-	167,003

Notes:

- (1) The fair value of the stock options issued during the year ended December 31, 2019 has been calculated using the Black-Scholes option pricing model, based on the following assumptions: risk-free interest rate of 1.45966%; expected life of 4.1 years; weighted expected stock price volatility of 50.19055% and expected dividend yield of zero.
- (2) The fair value of the stock options issued during the year ended December 31, 2018 has been calculated using the Black-Scholes option pricing model, based on the following assumptions: risk-free interest rate of 2.21%; expected life of 4.02 years; weighted expected stock price volatility of 57% and expected dividend yield of zero.
- (3) The fair value of the stock options issued during the year ended December 31, 2017 has been calculated using the Black-Scholes option pricing model, based on the following assumptions: risk-free interest rate of 1.70%; expected life of 4.02 years; weighted expected stock price volatility of 82% and expected dividend yield of zero.
- (4) Mr. Cho commenced employment with the Corporation in September 2018.

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Alvaro Pombo, President and Chief Executive Officer	640,000	0.28	10/06/20	\$172,800	-	-	-
	550,000	0.31	09/16/21	\$132,000			
	650,000	0.375	09/18/22	\$113,750			
	650,000	0.34	09/18/23	\$136,500			
	650,000	0.60	09/20/24	\$0			
David Croucher, Chief Financial Officer	170,000	0.28	10/06/20	\$45,900	-	-	-
	170,000	0.31	09/16/21	\$40,800			
	170,000	0.375	09/18/22	\$29,750			
	175,000	0.34	09/18/23	\$36,750			
	175,000	0.60	09/20/24	\$0			
Mark Scott, Vice President Marketing	170,000	0.28	10/06/20	\$45,900	-	-	-
	170,000	0.31	09/16/21	\$40,800			
	170,000	0.375	09/18/22	\$29,750			
	175,000	0.34	09/18/23	\$36,750			
	175,000	0.60	09/20/24	\$0			

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Mansell Nelson, Senior Vice President Business Development	575,000	0.34	03/15/21	\$120,750			
	170,000	0.31	09/16/21	\$40,800	-	-	-
	220,000	0.375	09/18/22	\$38,500			
	200,000	0.34	09/18/23	\$42,000			
	175,000	0.60	09/20/24	\$0			
Michael Cho, Senior Vice President Sales	700,000	0.34	09/18/23	\$147,000	-	-	-
	175,000	0.60	09/20/24	\$0			

Note:

(1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.550 for the Common Shares on the TSX Venture Exchange (the “Exchange”) on December 31, 2019 and the exercise price of the options, multiplied by the number of unexercised options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the year ended December 31, 2019.

Name & Principal Positions	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alvaro Pombo, President and Chief Executive Officer	\$129,271	-	103,200
David Croucher, Chief Financial Officer	\$35,792	-	60,540
Mark Scott, Vice President Marketing	\$35,792	-	53,875
Mansell Nelson, Senior Vice President Business Development	\$50,604	-	63,630
Michael Cho, Senior Vice President Sales	\$62,417	-	20,000

Note:

(1) Based on the difference between the exercise price of the options and the closing trading price on the Exchange as of the date of vesting.

Stock Option Plan

In 2009 the Corporation established its Stock Option Plan and the Stock Option Plan was amended in 2015, 2016, 2017, 2018 and 2019 (as amended, the “**Stock Option Plan**”). Under the Stock Option Plan, the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, management company employees and consultants of the Corporation and its Affiliates, non-transferable options to purchase Common Shares for a period of up to ten years from the

date of grant. The aggregate number of Common Shares that the Corporation may allocate and make available to be granted to participants under the current Stock Option Plan is 18,679,583.

The purpose of the Stock Option Plan is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan:

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

Incentive stock options may be exercised until the earlier of: (a) the expiry time of such option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Corporation or its Affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Notwithstanding the foregoing, in the event of termination for cause, all options held by such terminated optionee will be cancelled immediately. In the event that the Corporation becomes listed on the Toronto Stock Exchange, the Stock Option Plan provides that the Board may grant options which allow an optionee to elect to exercise its option on a "cashless basis", whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the option and the aggregate exercise price of such option is divided by (ii) the Fair Market Value of each Common Share. "Fair Market Value" as defined in the Stock Option Plan means the closing price as reported by the Toronto Stock Exchange (in the event that the Corporation becomes listed on the Toronto Stock Exchange) on the last trading day immediately preceding the exercise date. The Board may amend the Stock Option Plan at any time, subject to any required approval by the Exchange and where necessary, Shareholders.

As at the Record Date, a total of 14,220,766 Common Shares were issuable pursuant to options outstanding under the Stock Option Plan, representing 11.8% of the issued and outstanding Common Shares.

Termination and Change of Control Benefits

The following table sets forth the termination and change of control benefits (if applicable) for each of the Named Executive Officers:

Name	Termination and Change of Control Benefits
Alvaro Pombo	<p>In the event of termination without cause or resignation with good reason, Mr. Pombo is entitled to a lump sum equal to 18 months of his then current annual base salary (being an aggregate of \$439,500 based on his 2020 annual salary) and accelerated vesting of all the stock options granted to him prior to his termination date, all of which shall become exercisable as of the termination date and remain exercisable for a period of 180 days from the termination date. “Good reason” is defined to include, among other things, where within three months following the occurrence of a change of control, the Corporation or the Board assigns Mr. Pombo duties inconsistent with his position, duties and responsibilities with the Corporation immediately prior to the change of control (unless such assignment is clearly consistent with a promotion).</p> <p>Mr. Pombo may terminate his employment upon a minimum of four weeks’ advance written notice to the Corporation.</p>
David Croucher	<p>In the event of termination without cause or resignation with good reason, Mr. Croucher is entitled to a lump sum equal to six months of his then current annual base salary (being an aggregate of \$107,650 based on his 2020 annual salary) and accrued variable compensation, and accelerated vesting of all the stock options granted to him prior to his termination date, all of which shall become exercisable as of the termination date and remain exercisable for the remaining life of the stock option. “Good reason” is defined to include, among other things, a change in title, a reduction in responsibilities or a reduction in his compensation levels.</p> <p>Similarly, in the event of a change of control, Mr. Croucher is entitled to accelerated vesting of all the stock options granted to him prior to the change of control, all of which shall become exercisable as of the change of control and remain exercisable for the remaining life of the stock option.</p> <p>Mr. Croucher may terminate his employment upon a minimum of three weeks’ advance written notice to the Corporation.</p>
Mark Scott	<p>In the event of termination without cause, Mr. Scott is entitled to a lump sum equal to six months of his then current annual base salary (being an aggregate of \$114,000 based on his 2020 annual salary).</p> <p>Mr. Scott may terminate his employment upon a minimum of three weeks’ advance written notice to the Corporation.</p>
Mansell Nelson	<p>In the event of termination without cause, Mr. Nelson is entitled to a lump sum equal to six months of his then current annual base salary (being an aggregate of \$109,800 based on his 2020 annual salary).</p> <p>Mr. Nelson may terminate his employment upon a minimum of three weeks’ advance written notice to the Corporation.</p>
Michael Cho	<p>In the event of termination without cause, Mr. Cho is entitled to a lump sum equal to his statutory entitlements and six (6) months of his then current annual base salary (being an aggregate of \$113,750 based on his 2020 annual salary).</p> <p>Mr. Cho may terminate his employment upon a minimum of three weeks’ advance written notice to the Corporation.</p>

Director Compensation

Cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial year ended December 31, 2019. The directors of the Corporation are also eligible to receive options to purchase Common Shares pursuant to the terms of the Stock Option Plan.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation’s directors who are not Named Executive Officers during the financial year ended December 31, 2019.

Name	Fees Earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Jim Davies	20,000	-	4,884 ⁽²⁾	-	-	-	24,884
Edward Ogonek	20,000	-	4,884 ⁽²⁾	-	-	-	24,884
Terence Matthews	30,000	-	9,768 ⁽²⁾	-	-	-	39,768
Jon Shantz	20,000	-	4,884 ⁽²⁾	-	-	-	24,884
Bruce Joyce	30,000	-	7,326 ⁽²⁾	-	-	-	37,326
Philip Deck	20,000	-	4,884 ⁽²⁾	-	-	-	24,884
Michael Cristinziano	30,000	-	7,326 ⁽²⁾	-	-	-	37,326

Note:

- (1) For the fiscal year ended December 31, 2019, cash compensation was payable to the directors of the Corporation in the amount of \$30,000 for each director that serves as a chair of the board or a committee and \$20,000 for all other directors.
- (2) The fair value of the stock options issued during the year ended December 31, 2019 has been calculated using the Black-Scholes option pricing model, based on the following assumptions: risk-free interest rate of 1.45966%; expected life of 4.1 years; weighted expected stock price volatility of 50.19055 % and expected dividend yield of zero.

Incentive Plan Awards - Outstanding Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table sets forth all awards outstanding for each of the directors of the Corporation as of December 31, 2019 who are not Named Executive Officers:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jim Davies	20,000	0.28	10/06/20	\$5,400	-	-	-
	20,000	0.31	09/16/21	\$4,800	-	-	-
	100,000	0.35	03/13/22	\$20,000	-	-	-
	25,000	0.375	09/18/22	\$4,375	-	-	-
	20,000	0.34	09/18/23	\$4,200	-	-	-
	20,000	0.60	09/20/24	\$0	-	-	-
Edward Ogonek	20,000	0.28	10/06/20	\$5,400	-	-	-
	20,000	0.31	09/16/21	\$4,800	-	-	-
	100,000	0.35	03/13/22	\$20,000	-	-	-
	35,000	0.375	09/18/22	\$4,375	-	-	-
	20,000	0.34	09/18/23	\$4,200	-	-	-
	20,000	0.60	09/20/24	\$0	-	-	-
Terence Matthews	40,000	0.28	10/06/20	\$10,800	-	-	-
	40,000	0.31	09/16/21	\$9,600	-	-	-
	100,000	0.35	03/13/22	\$20,000	-	-	-
	40,000	0.375	09/18/22	\$7,000	-	-	-
	40,000	0.34	09/18/23	\$8,400	-	-	-
	40,000	0.60	09/20/24	\$0	-	-	-

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jon Shantz	6,885	0.28	10/06/20	\$5,400	-	-	-
	20,000	0.31	09/16/21	\$4,800			
	100,000	0.35	03/13/22	\$20,000			
	25,000	0.375	09/18/22	\$4,375			
	20,000	0.34	09/18/23	\$4,200			
	20,000	0.60	09/20/24	\$0			
Bruce Joyce	30,000	0.28	10/06/20	\$8,100	-	-	-
	30,000	0.31	09/16/21	\$7,200			
	100,000	0.35	03/13/22	\$20,000			
	35,000	0.375	09/18/22	\$6,125			
	30,000	0.34	09/18/23	\$6,300			
	30,000	0.60	09/20/24	\$0			
Philip Deck	20,000	0.28	10/06/20	\$5,400	-	-	-
	20,000	0.31	09/16/21	\$4,800			
	100,000	0.35	03/13/22	\$20,000			
	25,000	0.375	09/18/22	\$4,375			
	20,000	0.34	09/18/23	\$4,200			
	20,000	0.60	09/20/24	\$0			
Michael Cristinziano	20,000	0.315	11/11/21	\$4,700	-	-	-
	100,000	0.35	03/13/22	\$20,000			
	35,000	0.375	09/18/22	\$6,125			
	30,000	0.34	09/18/23	\$6,300			
	30,000	0.60	09/20/24	\$0			

Note:

(1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.550 for the Common Shares on the Exchange on December 31, 2019 and the exercise price of the options, multiplied by the number of unexercised options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each of the directors of the Corporation who were not Named Executive Officers during the year ended December 31, 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jim Davies	\$3,000	-	-
Terence Matthews	\$8,400	-	-
Edward Ogonek	\$3,000	-	-
Jon Shantz	\$3,000	-	-

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bruce Joyce	\$4,500	-	-
Philip Deck	\$3,000	-	-
Michael Cristinziano	\$4,500	-	-

Note:

(1) Based on the difference between the exercise price of the options and the closing trading price on the Exchange as of the date of vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding options and the weighted average exercise price of the outstanding options in connection with the Stock Option Plan as at December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	14,224,099 ⁽¹⁾	\$0.40	2,328,233
Equity compensation plans not approved by security holders	-	-	-
Total	14,224,099 ⁽¹⁾	\$0.40	2,328,233

Note:

(1) The outstanding options are governed by the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

The following table sets forth the aggregate indebtedness owing to the Corporation or its subsidiaries of all directors, executive officers, employees and former directors, executive officers and employees of the Corporation or its subsidiaries as at the Record Date:

Purpose	Aggregate Indebtedness to the Corporation or its Subsidiaries	Aggregate Indebtedness to Another Entity
Share purchases	\$537,407	-
Other	-	-

On July 23, 2009, the Corporation provided a loan to the Chief Executive Officer in connection with his purchase of 791,504 Common Shares (the “**2009 CEO Share Purchase Loan**”). The original maturity date of July 23, 2014 was extended to July 23, 2016, subsequently extended to September 5, 2017, subsequently further extended to September 5, 2018, and subsequently further extended to September 5, 2019. During the year ended December 31, 2019, the maturity date was not further extended. The principal of \$148,408 is repayable on demand, and is non-interest bearing since the amendment.

On September 5, 2014, the Corporation provided loans totaling \$342,797 to the CEO including \$244,048 to purchase 1,626,984 Common Shares upon the exercise of stock options and \$98,749 for related income

tax remittances (the “**2014 CEO Share Purchase Loan**”). The original maturity date of September 5, 2016 was extended to September 5, 2017, subsequently extended to September 5, 2018, and subsequently further extended to September 5, 2019. During the year ended December 31, 2019, the maturity date was not further extended. The 2014 CEO Share Purchase Loan is a non-interest bearing loan and the principal is repayable on demand.

On September 30, 2015, the Corporation provided a loan of \$46,202 to the CEO to purchase 250,000 Common Shares upon the exercise of stock options (the “**2015 CEO Share Purchase Loan**” and together with the 2009 CEO Share Purchase Loan and the 2014 CEO Share Purchase Loan, the “**CEO Share Purchase Loans**”). The original maturity date of September 5, 2016 was extended to September 5, 2017, and subsequently extended to September 5, 2018, and subsequently further extended to September 5, 2019. During the year ended December 31, 2019, the maturity date was not further extended. The 2015 CEO Share Purchase Loan is a non-interest bearing loan and the principal is repayable on demand.

The 2,668,488 Common Shares acquired under the CEO Share Purchase Loans are pledged as security against the share purchase loans and are held as security by the Corporation until such time as the individual loans are repaid. The share purchase loans are immediately due and payable to the Corporation upon the sale of the Common Shares or upon the termination of employment, subject to certain conditions being met. The market value of the underlying Common Shares for the CEO Share Purchase Loans as at December 31, 2019 was \$1,467,668.

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

The following table sets forth the indebtedness owing to the Corporation and its subsidiaries of each person who is, or at any time during the financial year ended December 31, 2019 was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, except for indebtedness that has been entirely repaid as at the date of this Circular.

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Most Recent Completed Financial Year (\$)	Amount Outstanding as at Record Date	Financially Assisted Securities Purchases During Most Recent Completed Financial Year (#)	Security for Indebtedness	Amount forgiven During Most Recent Completed Financial Year (\$)
Securities Purchase Program						
Alvaro Pombo, President and Chief Executive Officer	Corporation (as lender)	\$537,407 ⁽¹⁾	\$537,407	-	Pledge of 2,668,488 Common Shares	-

Note:

(1) See description of the CEO Share Purchase Loans as described above.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), is set out below:

Independence of Directors

The Board currently consists of a total of eight directors all of whom except for Alvaro Pombo are considered “independent”, as such term is defined in NI 58-101. Mr. Pombo is not considered independent as he is currently the President and Chief Executive Officer of the Corporation.

Directorships

The following directors of the Corporation presently serve as directors of other reporting issuers as follows:

Name	Name of Reporting Issuer	Name of Exchange or Market
Terence Matthews	CounterPath Corporation	NASDAQ and TSX
	Mitel Networks Corporation	NASDAQ and TSX
	Magor Corporation	TSXV
Bruce Joyce	CounterPath Corporation	NASDAQ and TSX

Orientation and Continuing Education

While the Corporation does not yet have a formal continuing education program, the directors individually and as a group are encouraged to keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes thorough strategic planning sessions with management.

Ethical Business Conduct

The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Nomination of Directors

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.

Compensation

As of the date of this Circular, the compensation paid to the directors of the Corporation is reviewed by the Compensation Committee. Additionally, the Compensation Committee determines the compensation for the Chief Executive Officer and the overall compensation plan for other members of the senior executive team. See “Executive Compensation” above.

Assessments

The Board is currently responsible for assessing the effectiveness of the Board, the individual directors, the Audit Committee and the Compensation Committee.

Audit Committee

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Corporation's principal risks impacting financial reporting. The committee also assists the Board with the oversight of financial strategies and overall risk management.

The Audit Committee is composed of Philip Deck, Edward Ogonek and Bruce Joyce, each of whom is a director of the Corporation. In accordance with Exchange Policy 3.1, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation and each member is "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Corporation is of the opinion that all members of the Audit Committee are "financially literate" as such term is defined in NI 52-110. A copy of the charter of the Audit Committee is attached as Schedule "B" to this Circular.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Philip Deck is the Managing Partner of Extuple Limited Partnership. He has over 20 years of experience in technology company operations, leadership and merchant banking. Previously, Mr. Deck served as the CEO of MKS Inc. and as CEO of Certicom Corp. Mr. Deck also served as a Director of the Bank of Canada from 2006 to 2013, including in the role as Lead Director. He has also served on the Board of the C.D. Howe Institute. Mr. Deck holds a degree in economics from Queens University, Kingston.

Edward Ogonek is an Independent Corporate Director and Strategic Advisor. He has over 32 years of experience leading high-growth businesses in the networking technology sector. His leadership experience includes President / CEO roles at innovative, early-stage companies and General Manager positions for large multi-national business divisions at global technology leaders. Mr. Ogonek focuses his efforts today as a Board Director in various public and private technology companies and non-profit organizations with an emphasis on company strategy, business planning and business development. Mr. Ogonek holds an MS degree in Operations Research from Case Western Reserve University and a BS in Mathematics from John Carroll University.

Bruce Joyce is an Independent Corporate Director. He has more than 30 years of experience in business strategy and public accounting with large public sector organizations, global advanced technology and communications companies and growth oriented private companies. Most recently, Mr. Joyce was the Vice President of Leadership and Human Resources Research for the Conference Board of Canada. Prior to this he spent 23 years as a partner of Deloitte LLP, until his retirement, during which he served terms as Office Managing Partner of the National Capital Region and then as leader of the Canadian Federal Government practice. Mr. Joyce is an FCPA/FCA with CPA Ontario (formerly the Institute of Chartered Accountants of Ontario), has his ICD.D with the Institute of Corporate Directors and is HRCCC (Human Resources and Compensation Committee Certified) by the Directors College. He has a B.Com. from Carleton University.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor.

External Auditor Service Fees (By Category)

The auditors of the Corporation are KPMG LLP.. KPMG LLP was first appointed auditors of the Corporation for the December 31, 2019 fiscal year. Prior to KPMG LLP, Deloitte LLP was the auditor of the Corporation for the December 31, 2018 fiscal year.

The following are the aggregate fees incurred by the Corporation for services provided by its external auditors during fiscal 2018 and fiscal 2019:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees	Tax Fees ⁽²⁾	Other Fees ⁽³⁾
December 31, 2019	85,065	4,280	-	-
December 31, 2018	119,500	7,000	24,000	8,365

Notes:

- (1) The aggregate fees billed by the Corporation's external auditors for professional services rendered for the audit of the consolidated financial statements of the Corporation and its subsidiaries, reporting in connection with the various securities offerings of the Corporation.
- (2) The aggregate fees, including expenses reimbursed, billed by the Corporation's external auditors for the preparation of corporate tax returns, tax compliance, tax advice and tax planning services.
- (3) The aggregate fees, including expenses reimbursed, billed by the Corporation's external auditors for services rendered to the Corporation and its subsidiaries, other than the services described above.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 with respect to the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Composition of Compensation Committee

Jim Davies, Jon Shantz and Michael Cristinziano currently serve as members of the Compensation Committee of the Corporation's Board of Directors. Further information regarding the Compensation Committee is set out above under the heading "Compensation Discussion and Analysis". All members of the Compensation Committee are independent.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any

material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

The Corporation leases office premises from a company controlled by Mr. Matthews, Chairman of the Board. The Corporation has signed a seven-year lease from the company that commenced August 2016 through to July 2023. For the year ended December 31, 2019, the amount of rent paid (excluding operating expenses) was \$381,540.

See above under the heading "Indebtedness of Directors and Executive Officers" for discussion of the CEO Share Purchase Loans.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The Board presently consists of eight directors, namely Jim Davies, Terence Matthews, Edward Ogonek, Alvaro Pombo, Jon Shantz, Bruce Joyce, Philip Deck and Michael Cristinziano.

Eight directors are nominated for election at the Meeting. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation.

The following table and notes thereto disclose: (i) the name and residence of each person proposed to be nominated for election as a director of the Corporation and all other positions and offices now held by him, if any, with the Corporation and any subsidiaries or affiliate thereof; (ii) his principal occupation or employment; (iii) the period or periods of services as a director of the Corporation; and (iv) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by him as at the Record Date.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR THE ELECTION OF THE PROPOSED NOMINEES IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDERS APPOINTING THEM. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Name and Place of Residence	Present Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
Jim Davies ⁽³⁾ Ontario, Canada	General Manager, Farmgate Cider	June 9, 2010	502,000
Terence Matthews Ontario, Canada	Chairman, Wesley Clover International Corporation	August 11, 2009	20,624,630 ⁽⁵⁾
Edward Ogonek ⁽¹⁾ Ontario, Canada	Independent Corporate Director	August 29, 2011	191,000

Name and Place of Residence	Present Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
Alvaro Pombo Ontario, Canada	President and Chief Executive Officer of the Corporation	June 9, 2010	4,394,053
Jon Shantz ⁽³⁾ California, U.S.A.	Independent Consultant	August 11, 2009	170,000
Bruce Joyce ⁽¹⁾⁽²⁾ British Columbia, Canada	Independent Corporate Director	April 30, 2014	145,000
Philip Deck ⁽¹⁾ Ontario, Canada	Managing Partner of Extuple Limited Partnership	October 7, 2015	7,999,450 ⁽⁶⁾
Michael Cristinziano ⁽³⁾⁽⁴⁾ North Carolina, U.S.A.	Independent Consultant	October 4, 2016	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Chair of the Compensation Committee.
- (5) Of such shares, 20,579,630 Common Shares are held by Wesley Clover International Corporation, which is indirectly controlled by Terence Matthews.
- (6) These 7,999,450 Common Shares are held by Extuple Limited Partnership, a partnership in which Philip Deck is the Managing Partner.

To the knowledge of the Corporation, the directors and executive officers of the Corporation as a group beneficially own, control or direct, directly or indirectly, 36,244,530 Common Shares of the Corporation representing approximately 30.2% of the outstanding Common Shares as of the Record Date.

Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) 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, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed herein, to the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this 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 his assets;

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

2. Appointment of Auditor

At the Meeting, Shareholders of the Corporation will be called upon to appoint KPMG to serve as auditors until the close of the next annual meeting of the Shareholders and to authorize the Board to fix the remuneration of the auditor appointed. KPMG LLP was first appointed by Shareholders at the annual general meeting of shareholders held on June 26, 2019.

The appointment of KPMG as auditors of the Corporation will be authorized if it is approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF KPMG LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPOINTMENT OF THE AUDITOR.

3. Amendment to Stock Option Plan

The Stock Option Plan, which is summarized above under “*Executive Compensation – Incentive Plan Awards – Stock Option Plan*”, was established in 2009.

The Stock Option Plan currently provides for the issuance of up to 18,679,583 Common Shares to participants. The Corporation currently has options to acquire up to 14,098,851 Common Shares outstanding pursuant to the Stock Option Plan leaving a total of 2,429,481 additional options that may be granted pursuant to the current Stock Option Plan as of the date of this Circular.

Stock options are a valuable compensation and incentive tool used by the Corporation with its directors, officers, employees and consultants. The Board believes that it will soon come to the point where the current option pool is not sufficient to allow the Corporation to continue granting options. As a result, it is proposed that the Corporation’s option pool be amended to increase the size of the pool to 19,679,583, being approximately 16.4% of the issued and outstanding shares of the Corporation as of the Record Date. The Board believes that this size of pool would provide it with a more appropriate pool of available options in the option pool for the near term.

Pursuant to the policies of the TSX Venture Exchange, the foregoing amendment requires approval by the shareholders of the Corporation. The full text of the proposed resolution to approve the amendment to the Stock Option Plan is attached as Schedule “A” to this Circular. To be effective, the resolution approving the amendment to the Stock Option Plan must be passed by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

The proposed amendment to the Stock Option Plan also requires the approval of the TSX Venture Exchange and, therefore, the proposed resolution set out in Schedule “A” also provides approval for such other changes to the terms of the Stock Option Plan as may be required by the TSX Venture Exchange in connection with its review and approval of the foregoing amendment.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO AMEND THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE AMENDMENT OF THE STOCK OPTION PLAN.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended December 31, 2019 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the approval of the Corporation’s stock option plan.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the year ended December 31, 2019. In addition, copies of the Corporation’s annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: May 13, 2020.

“Terence Matthews”

Terence Matthews
Chairman

SCHEDULE "A"

AMENDMENT TO STOCK OPTION PLAN

RESOLVED THAT:

1. the Corporation's stock option plan (the "Plan") be amended to provide that the aggregate number of Common Shares of the Corporation allocated and made available to be granted to participants under the Plan is equal to 19,679,583;
2. such other changes to the terms of the Corporation's stock option plan as may be required by the TSX Venture Exchange in connection with its review and approval of the foregoing amendment are also authorized and approved; and
3. any one director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all such things and to execute such documents, whether under the corporate seal of the Corporation or otherwise, that may be necessary to give effect to the foregoing resolution.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each Member shall be financially literate.
5. The board of directors of the Corporation shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.