



BSM TECHNOLOGIES INC.

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on

MARCH 22, 2018

DATED AS OF FEBRUARY 9, 2018

BSM TECHNOLOGIES INC.

Notice of Annual General and Special Meeting of Shareholders

To be Held on Thursday, March 22, 2018, at 4:00 p.m. (Toronto time)

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of BSM Technologies Inc. (the “**Company**”) will be held at the offices of Cassels Brock & Blackwell LLP at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on Thursday, March 22, 2018, at 4.00 p.m. (Toronto time) for the following purposes:

1. to receive and consider the annual audited consolidated financial statements of the Company for the fiscal years ended September 30, 2017 and 2016, together with the auditors’ report thereon;
2. to elect the directors of the Company for the ensuing year, as more particularly described under the heading “*Business of Meeting – Election of Directors*” in the Company’s management information circular dated February 9, 2018 (the “**Circular**”);
3. to re-appoint PricewaterhouseCoopers LLP as the auditors of the Company for the ensuing year and to authorize the board of directors of the Company (the “**Board**”) to fix their remuneration, as more particularly described under the heading “*Business of Meeting – Appointment of Auditors*” in the Circular;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving all unallocated options under the Company’s Second Amended and Restated Stock Option Plan, as more particularly described under the heading “*Business of Meeting – Approval of Unallocated Options Under Option Plan*”; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by the Circular, either a form of proxy for a registered Shareholder or a voting instruction form for a beneficial Shareholder (collectively, the “**Meeting Materials**”). Shareholders may request to receive copies of the Company’s annual audited consolidated financial statements, together with the auditor’s report thereon and the related management’s discussion and analysis (“**MD&A**”) and/or interim consolidated financial statements and related MD&A by marking the appropriate box on the form of proxy or voting instruction form, as applicable. The annual audited consolidated financial statements of the Company for the fiscal years ended September 30, 2017 and 2016, together with the auditor’s report thereon and the related MD&A was sent to those Shareholders who previously requested to receive it. Otherwise, it is available upon request to the Company by email at investorrelationsgroup@bsmtechnologies.com and can also be found under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com or on the Company’s website at www.bsmtechnologies.com.

Similar to last year, this year the Company has decided to deliver the Meeting Materials to Shareholders utilizing the notice-and-access mechanism that came into effect on February 11, 2013 under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*. This means the Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.bsmtechnologies.com. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company’s printing and mailing costs. The Meeting Materials will be available on the Company’s website as of February 9, 2018, and the Meeting Materials will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available under the Company’s profile on SEDAR at www.sedar.com as of February 9, 2018.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or direct, from outside of North America at (416) 675-1201. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or by email at investorrelationsgroup@bsmtechnologies.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. In order to receive paper copies of the Meeting Materials in advance of the proxy deposit deadline, as set out below, your request should be received no later than March 13, 2018.

If you would like more information about the “notice-and-access” rules, please contact the Company by calling toll-free in North America at 1-888-822-2768.

Shareholders are invited to attend the Meeting. *Registered Shareholders* who are unable to attend the Meeting in person are requested to complete, date and sign the form of proxy and send it to the Corporate Secretary of the Company c/o Computershare Investor Services Inc. (“**Computershare**”), 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, Facsimile: 1-866-249-7775. Electronic voting is also available for this Meeting through www.investorvote.com and telephone voting is available. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. *Non-Registered Shareholders* who receive the Meeting Materials through their broker or other intermediary should complete and send the voting instruction form in accordance with the instructions provided by their broker or intermediary.

The Board has fixed the close of business on February 2, 2018, as the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting and any adjournments or postponements thereof. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

The Board has, by resolution, fixed 4:00 p.m. (Eastern Daylight Time) on March 20, 2018, or 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company’s transfer agent. Late proxies may be accepted or rejected by the Chair of the Meeting in their discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario, this 9th day of February, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF BSM
TECHNOLOGIES INC.**

(signed) Aly Rahemtulla

President and Chief Executive Officer

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GENERAL INFORMATION FOR THE MEETING

Time, Date and Place of Meeting

This management information circular (the “**Circular**”) is provided in connection with the solicitation, by or on behalf of the management of BSM Technologies Inc. (the “**Company**”), of proxies for use at the Company’s annual general and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**”, or individually, a “**Shareholder**”) of common shares (the “**Common Shares**”) of the Company to be held at the offices of **Cassels Brock & Blackwell LLP at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on Thursday, March 22, 2018, at 4:00 p.m. (Eastern Daylight Time)** for the purposes set forth in the accompanying notice of meeting (the “**Notice**”). References in this Circular to the Meeting include any adjournment(s) or postponements thereof. Unless otherwise stated herein, the information contained in this Circular is given as of February 9, 2018. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

Currency

In this Circular, unless otherwise specified herein, all references to dollar amounts are to Canadian dollars. Canadian dollars are reported as \$ and United States (U.S.) dollars are reported as USD\$. All U.S. dollar amounts that have been converted into Canadian dollars, have been converted at the following Bank of Canada average exchange rate: Fiscal 2017: U.S. \$1.00 = CDN \$1.3136.

Record Date

The Company has fixed the close of business on February 2, 2018, as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc. (“**Computershare**”), as specified herein and in the Notice).

All holders of Common Shares of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting. The failure of any Shareholder to receive a copy of the Notice does not deprive a Shareholder of the right to vote at the Meeting.

Quorum

The quorum for the Meeting is two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholders so entitled, holding or representing in the aggregate not less than 25% of the issued Common Shares of the Company enjoying voting rights at such meeting.

Solicitation of Proxies

The enclosed proxy is being solicited by the management of the Company for use at the Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of communication by the directors, officers and employees of the Company, none of whom will be specifically remunerated therefor. The cost of any such solicitation will be borne by the Company.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice-and-access notification, the Notice, this Circular, and, as applicable, a form of proxy (which includes a consent to

electronic delivery and a place to request copies of the Company's annual audited consolidated financial statements, together with the auditor's report thereon, and the related management's discussion and analysis ("**MD&A**") and/or interim consolidated financial statements and related MD&A or a voting instruction form ("**VIF**") (collectively, the "**Meeting Materials**").

Similar to last year, this year, the Company has decided to use notice-and-access to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.bsmtechnologies.com. The Meeting Materials will also be available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com as of February 9, 2018. Shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Please see "*Notice-and-Access*" below.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with intermediaries (collectively, the "**Intermediaries**", or individually, an "**Intermediary**") or their nominees (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans) to forward the Meeting Materials to the Objecting Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Shareholders unless an Objecting Beneficial Shareholder has waived the right to receive them. The Company has elected to pay for the delivery of the Meeting Materials to Objecting Beneficial Shareholders by the Intermediaries. The Company is sending the Meeting Materials directly to Non-Objecting Beneficial Shareholders (as defined below), through the services of Computershare.

Shareholders will also receive access to a supplementary mailing list return card to be used to request inclusion on the Company's supplementary mailing list for its annual and interim financial statements.

All references to Shareholders in this Circular, the accompanying instrument of proxy and the Notice are to registered Shareholders unless specifically noted otherwise.

Appointment and Revocation of Proxies

The individuals named as proxyholders in the instrument of proxy accompanying this Circular are representatives of the Company's management. **A Shareholder who wishes to appoint another person (who need not be a Shareholder) as his or her representative at the Meeting may do so by either: (a) crossing out the names of the designated proxyholders and printing the other person's name in the blank space provided; or (b) completing another valid instrument of proxy.** In either case, the completed instrument of proxy must be delivered to Computershare at the place and within the time limits specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the designated proxyholders should notify the designated proxyholder(s), obtain his or her consent to act as proxy, and provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In all cases the instrument of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the instrument of proxy).

An instrument of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, Facsimile 1-866-249-7775, not less than 48 hours before the time for holding the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays. Electronic voting is also available for this Meeting through www.investorvote.com and telephone voting is available. Votes cast electronically or by telephone are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy.

In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it, any time before it is exercised, by an instrument in writing executed by such Shareholder or by his or her attorney authorized in writing and deposited either at the registered office of the Company (BSM Technologies Inc., 75 International Blvd., Suite 100, Toronto, ON M9W 6L9. Attention: Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the form of proxy have been selected by the directors of the Company and have indicated their willingness to represent Shareholders that appoint them as proxy. Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the proxy form.

Common Shares represented by properly executed proxy forms in favour of the person designated on the proxy form will be voted or withheld from voting in accordance with the instructions given on the proxy forms and if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such instructions, such Common Shares **WILL BE VOTED FOR THE APPROVAL OF ALL RESOLUTIONS IN THIS CIRCULAR.**

The form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. As of the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (“Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities), which acts as a nominee for many Canadian brokerage firms. Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients.

The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders

to return the voting instructions forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Note to Non-Objecting Beneficial Shareholders

Beneficial Shareholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (the “**Objecting Beneficial Shareholders**”) and those who do not object to their identity being made known to the issuers of the securities they own (the “**Non-Objecting Beneficial Shareholders**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Shareholders from Intermediaries via their transfer agent in order to distribute the Meeting Materials directly to such Non-Objecting Beneficial Shareholders. The Company is taking advantage of those provisions of NI 54-101, which permit the Company to send the Meeting Materials directly to Non-Objecting Beneficial Shareholders.

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

A Beneficial Shareholder may revoke a VIF or a waiver of the right to receive materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting.

Electronic Delivery of Documents

Every year, as required by laws governing public companies, the Company delivers documentation to Shareholders. To make this process more convenient, Shareholders may choose to be notified by email when the Company’s documentation, including the Meeting Materials, is posted on the Company’s website (www.bsmtechnologies.com) and, accordingly, such documentation will not be sent in paper form by mail.

Delivery in an electronic format, rather than paper, reduces costs to the Company and benefits the environment. Shareholders **who do not** consent to receive documentation through email notification will continue to receive such documentation by mail or otherwise, in accordance with securities laws.

By consenting to electronic delivery, Shareholders: (i) agree to receive all documents to which they are entitled electronically, rather than by mail; and (ii) understand that access to the Internet is required to receive a document electronically and certain system requirements must be installed (currently Adobe Acrobat Reader to view Adobe’s portable document format (“**PDF**”). Such documents may include the interim consolidated financial statements and corresponding MD&A, the annual audited consolidated financial statements and corresponding MD&A, the notice of annual and/or special meetings of Shareholders, the related management information circular, other proxy-related materials and other corporate information about the Company.

At any time, the Company may elect not to send a document electronically, or a document may not be available electronically. In either case, a paper copy will be mailed to Shareholders.

Registered Shareholders can consent to electronic document delivery by completing and returning the consent included in the form of proxy accompanying the Meeting Materials to Computershare. Beneficial Shareholders can consent to electronic delivery by completing and returning the appropriate form received from the applicable Intermediary. The Company will notify Shareholders using the email address provided by the Shareholder on the form of proxy when the documents the Shareholder is entitled to receive are posted on the Company's website, with a link to the specific pages of the website containing the PDF document. Shareholders are not required to consent to electronic delivery.

Notice-and-Access

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendment to securities laws governing the delivery of proxy-related materials by public companies. The notice-and-access mechanism came into effect on February 11, 2013 under NI 54-101. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily-accessible website, rather than mailing physical copies of the materials.

The Company has decided to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.bsmtechnologies.com. The Meeting Materials will be available on the Company's website as of February 9, 2018, and will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available on SEDAR at www.sedar.com as of February 9, 2018.

All Shareholders entitled to receive the Meeting Materials will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or direct, from outside of North America at (416) 675-1201. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or by email at investorrelationsgroup@bsmtechnologies.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. To receive paper copies of the Meeting Materials in advance of the proxy deposit deadline, as set out below, your request should be received no later than March 13, 2018.

If you would like more information about the "notice-and-access" rules, please contact the Company by calling toll-free in North America at 1-888-822-2768.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN BUSINESS OF MEETING

No (a) director or executive officer of the Company who has held such position at any time since the beginning of the fiscal year ended September 30, 2017 ("**Fiscal 2017**"); (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than directors and executive officers of the Company having an interest in the resolution regarding the re-approval of the Company's second amended and restated stock option plan, as such persons are eligible to participate in the second amended and restated stock option. Please see "*Business of Meeting – Approval of Unallocated Options under the Option Plan*".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of: (i) an unlimited number of Common Shares, of which 82,299,518 Common Shares are issued as at the Record Date, of which 1,254,367 Common Shares are issued in escrow, the

release of which is subject to future performance conditions outlined in the applicable escrow agreements; (ii) an unlimited number of First Preferred Shares without nominal or par value, of which Nil First Preferred Shares are issued and outstanding as at the Record Date; and (iii) an unlimited number of Second Preferred Shares without nominal or par value, of which Nil Second Preferred Shares are issued and outstanding as at the Record Date. Each Common Share carries the right to one vote per Common Share. No other voting securities are issued and outstanding as of the Record Date.

To the knowledge of the directors and the executive officers of the Company, as at the Record Date, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares ⁽¹⁾	Percentage of Common Shares ⁽¹⁾⁽²⁾
Crescendo Advisors II LLC ⁽³⁾	8,344,800	10.14%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder(s) listed above.
- (2) Calculated on a non-diluted basis on the basis of 82,299,518 Common Shares issued and outstanding as of the Record Date.
- (3) Crescendo Advisors II LLC (“**Crescendo Advisors**”) is the investment manager of Crescendo Partners II L.P., Series R2 and Crescendo Partners III L.P. (collectively, the “**Crescendo Funds**”) and in such capacity has discretionary investment management authority over the investment portfolio of the Crescendo Funds and has control or direction over the securities held by each of them. Crescendo Advisors, together with its joint actors, the Crescendo Funds and Jamarant Capital, L.P. (“**Jamarant**”), have ownership and control over an aggregate of 8,344,800 Common Shares, representing approximately 10.14% of the issued and outstanding Common Shares. Jamarant is a company controlled by Messrs. Gregory Monahan and David D. Sgro who are directors of the Company.

BUSINESS OF MEETING

To the knowledge of the board of directors of the Company (the “**Board**”) and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice and more particularly detailed below. **However, if other matters, which are not known to the management, should properly come before the meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

Presentation of Financial Statements

The annual audited consolidated financial statements of the Company for the fiscal years ended September 30, 2017 and 2016, together with the report of the auditors thereon (the “**FY2017 F/S**”), will be placed before the Meeting. The FY2017 F/S and the related MD&A (the “**FY2017 MD&A**”) were mailed to the Company’s Shareholders who requested it and are additionally available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.bsmtechnologies.com.

Election of Directors

The Company’s articles of amendment dated December 19, 1996 provide that the Board shall consist of a minimum of three and a maximum of 11 directors. The Company currently has seven directors and the Board has fixed the number of directors to be elected at the Meeting at seven. All seven proposed nominees whose names are set out below (the “**Nominees**”) are currently directors of the Company and have been nominated by the Board for re-election as directors at the Meeting. All of the Nominees have been directors since the dates indicated below and each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed.

The table below sets forth the name, province or state and country of residence and principal occupation during the prior five-year period of each Nominee and the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee.

In addition, below are the biographies of each Nominee. For additional information regarding the current directors' meeting attendance and fees, please see "Director Compensation and Corporate Governance".

The Board adopted a policy regarding majority voting for the election of directors on January 19, 2012, which was amended by the Board on February 11, 2016. If, in an uncontested election of directors, the number of Common Shares "withheld" for any director nominee exceeds the number of Common Shares voted "for" such nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall immediately tender his or her written resignation to the Board. The Compensation, Governance and Nominating Committee of the Board (the "CGN Committee") will consider such offer of resignation and will make a recommendation to the Board concerning the acceptance or rejection of the resignation. The Board will accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. In its deliberations, the CGN Committee may consider such extenuating circumstances as it deems appropriate. The Board must take formal action on the CGN Committee's recommendation within 90 days of the date of the applicable meeting of Shareholders and promptly announce its decision by press release, a copy of which shall be provided to the Toronto Stock Exchange (the "TSX"). If the Board declines to accept the resignation, such press release will fully state the reason or reasons for its decision.

At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee.

Name, Province or State and Country of Residence	Director Since ⁽¹⁾	Present Principal Occupation and Positions Held during the Preceding Five Years ⁽²⁾	Common Shares Beneficially Owned or Controlled ⁽³⁾		BSM Options, BSM Replacement Options, DSUs and RSUs Beneficially Owned or Controlled ⁽⁵⁾⁽⁶⁾⁽⁷⁾
			Number	% of Total ⁽⁴⁾	
Andrew Gutman ⁽⁸⁾⁽⁹⁾ Utah, United States	September 30, 2015	Currently, a consultant to the technology industry; formerly, CEO of Webtech	253,299	0.31%	106,800 BSM Replacement Options 95,050 DSUs
Aly Rahemtulla Ontario, Canada	January 23, 2006	President and Chief Executive Officer of BSM	1,090,635	1.33%	270,500 Options 986,845 RSUs
Frank Maw ⁽⁹⁾⁽¹⁰⁾ Ontario, Canada	June 10, 2008	Consultant to information technology industry	88,400	0.11%	75,000 Options 82,247 DSUs
Leonard Metcalfe ⁽⁸⁾ British Columbia, Canada	September 30, 2015	Retired	70,519	0.09%	81,597 DSUs
David D. Sgro ⁽¹¹⁾⁽¹²⁾ New Jersey, United States	June 28, 2016	Senior Managing Director of Crescendo, L.P.	428,103	0.52%	61,765 DSUs
Gregory Monahan ⁽⁸⁾⁽¹²⁾ Connecticut, United States	June 28, 2016	Senior Managing Director of Crescendo, L.P.	428,103	0.52%	61,765 DSUs
Kelly Edmison ⁽⁸⁾⁽¹³⁾ British Columbia, Canada	June 28, 2016	Chairman of Penderfund Capital Management Ltd.	7,092,192 ⁽¹³⁾	8.62%	73,801 DSUs

Notes:

(1) Each director's term will continue until the next annual meeting of the Shareholders at which time it will expire or until the director resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.

- (2) The information as to principal occupations, not being within the direct knowledge of the Company, has been furnished by the respective Nominees.
- (3) The information as to the number of Common Shares, stock options (“Options”), BSM Replacement Options (as defined herein), deferred share units (“DSUs”) and restricted share units (“RSUs”) beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Company, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders (“SEDI”) and may include Common Shares owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) Percentage of total Common Shares is based on 82,299,518 Common Shares issued as of February 9, 2018.
- (5) On September 30, 2015, the Company acquired all of the issued and outstanding common shares (the “Webtech Shares”) of Webtech Wireless Inc. (“Webtech”) and Webtech became a wholly-owned subsidiary of the Company, in connection with the business combination of the Company and Webtech by way of a court-approved plan of arrangement (the “Webtech Acquisition”) involving the Company, Webtech and 1044266 B.C. Ltd. (“Subco”), a wholly-owned subsidiary of the Company. As part of the Webtech Acquisition, Webtech was amalgamated with Subco to form a new corporate entity continuing under the name of “Webtech Wireless Inc.”. Under the terms of the Webtech Acquisition, each Webtech Share was exchanged for the issuance by the Company of \$0.52 in cash plus 2.136 Common Shares of the Company. In addition, all of the outstanding options of Webtech, whether vested or unvested, were deemed to have been exchanged under the Webtech Acquisition for an option (a “BSM Replacement Option”) to acquire Common Shares of the Company. The term to expiry, conditions to and manner of exercising the BSM Replacement Options are the same as the Webtech option for which it was exchanged. Further information with respect to the Webtech Acquisition can be found in the joint management information circular of the Company and Webtech dated August 19, 2015 (the “Joint Circular”) which is available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.bsmtechnologies.com.
- (6) DSUs are awarded pursuant to the Company’s deferred share unit plan (the “DSU Plan”) and do not vest until there is loss of directorship.
- (7) RSUs are awarded pursuant to the Company’s restricted share unit plan (the “RSU Plan”) and, generally, do not vest until the third anniversary of the RSU award date.
- (8) Member of the CGN Committee.
- (9) Member of the Audit Committee.
- (10) Chair of the CGN Committee.
- (11) Chair of the Audit Committee.
- (12) Messrs. David D. Sgro and Gregory Monahan, through Jamarant, a company under their control, own or control, directly or indirectly, an aggregate of 428,103 Common Shares. In addition, Messrs. Sgro and Monahan are senior managing directors of the Crescendo Advisors which, through the Crescendo Funds, own an aggregate of 7,916,697 Common Shares. Notwithstanding Messrs. Sgro and Monahan positions with the Crescendo Funds, Messrs. Sgro and Monahan do not have control or direction, whether direct or indirect, over the securities of the Crescendo Funds. Please see “*Voting Securities and Principal Holders Thereof*” above for additional details.
- (13) Mr. Edmison is the Chairman of PenderFund Capital Management Ltd. (“Pender”). Pender manages various mutual funds and pools which, collectively, beneficially own or control, directly or indirectly, an aggregate of 7,092,192 Common Shares. Notwithstanding Mr. Edmison’s position with Pender, Mr. Edmison does not have control or direction, whether direct or indirect, over the securities of Pender.

As at the date of this Circular, to the Company’s knowledge, the current and proposed directors of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 9,219,051 Common Shares, representing approximately 11.20% of the issued and outstanding Common Shares (on a non-diluted basis).

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER, OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS; HOWEVER, IF FOR ANY REASON, ANY OF THE NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Director Biographies

Andrew Gutman, Non-Executive Chairman of the Board

Mr. Gutman joined the Company as a director in September 2015, in connection with the Webtech Acquisition, and is a member of the CGN Committee and the Audit Committee. Mr. Gutman has more than ten years of experience in private equity/venture capital, as well as 15+ years of experience in managing and/or advising profitable, growth and acquisition oriented software companies. In addition to his role as the prior Chief Executive Officer of Webtech,

Mr. Gutman was also the Chief Executive Officer of Speedware Corporation (“**Speedware**”) from 2001 to 2005 where he led the growth of the company from approximately \$15 million in revenues to \$62 million (\$16 million EBITDA) through a combination of acquisitions and successful execution of internal growth strategies. During this period, Speedware’s market capitalization increased from approximately \$5 million in 2001 to \$143 million in 2005 when it was sold to Activant Solutions Inc. Mr. Gutman is currently a consultant to several technology companies.

Aly Rahemtulla, Director, President and Chief Executive Officer

Mr. Rahemtulla joined the Company as a director in January 2006 and is also the President and Chief Executive Officer of BSM. In addition to his role with the Company, Mr. Rahemtulla is also Chairman of ANR Capital Inc. and its subsidiary Onbelay Automotive Inc. and is a member of the board of directors of Canadian Feed the Children, a non-profit organization. Prior to joining the Company, Mr. Rahemtulla was a management consultant with A.T. Kearney Limited providing direction on corporate strategy to Fortune 100 corporations until 2004. With 12+ years of experience in executive roles, Mr. Rahemtulla has led numerous strategic initiatives and corporate developments. Mr. Rahemtulla holds an honours degree in business administration from the Richard Ivey School of Business at the University of Western Ontario, is a local chapter and international member of the Young Presidents of Ontario and is a member of the Institute of Corporate Directors (ICD.D.).

Frank Maw, Independent Director

Mr. Maw joined the Company as a director in June 2008 and is the Chair of the CGN Committee and a member of the Audit Committee. Mr. Maw is a past President of Motorola Canada Limited having retired after 35 years of senior management experience in the information and communications technology and the consumer products industries. Mr. Maw is a graduate of the University of Western Ontario and has served as the Chairman of ITAC (Information and Telecommunications Technology Association of Canada), as a director on the Toronto Board of Trade, as the Chairman of the Canadian Wireless Telecommunications Association and President of the original Paging Services Council of Canada. Mr. Maw was the Chairman of Netistix Technologies Corporation which was acquired by BSM in December 2007.

Leonard Metcalfe, Independent Director

Mr. Metcalfe joined the Company as a director in September 2015 and is a member of the CGN Committee. Mr. Metcalfe is the former Chairman, Chief Executive Officer and director of LMI Technologies Inc. (“**LMI**”) and was with LMI from 1997 to 2011, when it was acquired by AUGUSTA Technologie AG. LMI supplied machine vision systems for various manufacturing industries from its offices in Canada, USA, Sweden, Ireland and The Netherlands. Mr. Metcalfe is a member of the International Society of Optical Engineers. Mr. Metcalfe received a Diploma of Technology in Control Electronics from the British Columbia Institute of Technology in Vancouver, in 1973.

David D. Sgro, Independent Director

Mr. Sgro joined the Company as a director in June 2016 and is the Chair of the Audit Committee. Mr. Sgro is a Senior Managing Director of Crescendo Partners, L.P., a New York-based investment firm, and has held various positions at Crescendo Partners since May 2005. He is also a Managing Member and Head of Research for Jamarant Capital L.P., a private investment fund. Mr. Sgro has served as a director of Hill International, a construction project management and claims consulting company, since August 2016. Mr. Sgro has also served as a director of Imvescor Restaurant Group, a restaurant franchisor, since March 2016 and as an officer of Allegro Merger Corp., a Special Purpose Acquisition Company, since October 2017. Mr. Sgro has been a director, and chairman of the audit committee of Pangaea Logistics Solutions Ltd., a provider of seaborne dry bulk transportation services to industrial customers, since October 2014. Mr. Sgro has been a director, and member of the audit committee of NextDecade Corporation, which develops land-based and floating LNG projects. He previously served on the board of directors of Com Dev International Ltd., a supplier of space equipment and services; SAExploration Holdings, Inc., a provider of seismic data services to the oil and gas industries; Primoris Corporation, a speciality construction company; Bridgewater

Systems, Inc., a telecommunications software provider; and Harmony Merger Corp., Quartet Merger Corp., and Trio Merger Corp., special purpose acquisition companies. Mr. Sgro is a Chartered Financial Analyst (CFA) Charterholder and holds a B.S. in Finance from The College of New Jersey and an M.B.A. from Columbia Business School.

Gregory Monahan, Independent Director

Mr. Monahan joined the Company as a director in June 2016 and is a member of the CGN Committee. Mr. Monahan is a Senior Managing Director of Crescendo Partners, L.P., a New York-based investment firm, since December 2014 and has held various positions at Crescendo Partners since May 2005. He is also a Managing Member and Portfolio Manager for Jamarant Capital L.P., a private investment firm. Previously, Mr. Monahan was the co-founder of Bind Network Solutions, a consulting firm focused on network infrastructure and security. Mr. Monahan is currently a member of the board of directors of *Absolute Software Corp.*, a leader in firmware-embedded endpoint security and management for computers and ultra-portable devices. He also serves on the board of directors of *Cott Corporation*, a leading provider in the direct-to-consumer beverage services. He previously served on the board of *COM DEV International Ltd.*, a supplier of space equipment and services, *SAExploration Holdings Inc.*, a seismic data services company, *ENTREC Corporation*, a heavy haul and crane services provider, *Bridgewater Systems*, a telecommunications software provider, and *O'Charley's Inc.*, a multi-concept restaurant company. Mr. Monahan earned his Bachelor of Science degree in Mechanical Engineering from Union College and his M.B.A. from Columbia Business School.

Kelly Edmison, Independent Director

Mr. Edmison joined the Company as a director in June 2016 and is a member of the CGN Committee. Mr. Edmison has been active in the business community for almost 40 years. Currently, Mr. Edmison is Chairman of Pender Growth Fund Inc. and Penderfund Capital Management Ltd., which manages a venture fund and a variety of value based mutual funds. Previously, Mr. Edmison was a lawyer for 25 years having spent his early years in Calgary and Hong Kong and then the core of his practicing years focused on the technology industry in Vancouver. In 2002, he founded Pender Financial and PenderFund Capital which he led until recently. For over 20 years, Mr. Edmison has been an officer and director of many public and private technology companies. Mr. Edmison is a graduate of the University of Toronto and Queen's University.

Advance Notice By-Law

On April 7, 2014, the Board approved a new By-Law No. 4 ("**By-Law No. 4**") replacing the previous general By-Law No. 2A and borrowing By-Law No. 3. By-Law No. 4, among other things, included a framework for advance notice of nominations of persons for election to the Board. On February 2, 2017, the Board repealed By-Law No. 4 and approved an amended By-Law No. 4 ("**Amended By-Law No. 4**") in order to align the by-law with recent updates to evolving industry guidelines and to incorporate other amendments of a housekeeping nature. Shareholders confirmed Amended By-Law No. 4 on March 23, 2017.

Amended By-Law No. 4 sets deadlines of a prescribed number of days before a shareholders' meeting for a shareholder to notify the Company of its intention to nominate one or more directors, and explains the information that must be included with the notice for it to be valid. Amended By-Law No. 4 applies at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors. As at the date of this Circular, the Company has not received any additional director nominations for the Meeting pursuant to the advance notice provisions of Amended By-Law No. 4.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information, not being within the knowledge of the Company, has been furnished by each respective Nominee.

No Nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including the Company) that: (a) was the subject of an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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 a director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

No Nominee: (a) is, as at the date of this Circular, or was within 10 years before the date hereof a director or executive officer of a corporation (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; or (b) has within the 10 years before the date hereof, 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 or proposed director.

No Nominee has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investor decision.

Appointment of Auditors

The independent auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants (“PwC”), located at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2. PwC were first appointed auditors of the Company on October 14, 2011. The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Company. PwC did not have any reservation in their auditor's reports for the audited annual consolidated financial statements of the Company for the fiscal years ended September 30, 2017 and 2016. The directors of the Company propose to nominate PwC for re-appointment as the auditor of the Company to hold office until the next annual meeting of Shareholders.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESOLUTION AUTHORIZING THE APPOINTMENT OF PWC AS AUDITOR OF THE COMPANY TO HOLD OFFICE FOR THE ENSUING YEAR AT A REMUNERATION TO BE FIXED BY THE BOARD, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

Approval of Unallocated Options under the Option Plan

On August 17, 2015, the Board approved the adoption of the Second Amended and Restated Stock Option Plan (the “**Option Plan**”) under which directors, officers, employees, and other eligible persons whose contributions are important to the future success of the Company may be granted Options to acquire Common Shares. For a detailed description of the Option Plan, please see “*Securities Authorized for Issuance under Equity Compensation Plans – Second Amended and Restated Stock Option Plan*”.

On February 8, 2018, the Board approved the following housekeeping amendments (the “**Option Plan Amendments**”) to the Option Plan:

1. Updated the effective date of the Option Plan to the date of the Meeting;

2. Updated incorrect section references and inconsistent language in the Option Plan; and
3. Clarified the language related to the application of the \$100,000 limit for incentive stock options related to U.S. participants.

Given that the Option Plan Amendments were minor and technical modifications and/or corrections to the Option Plan, the Option Plan Amendments do not require Shareholder approval.

Pursuant to Section 613 of the TSX Company Manual, all unallocated options, rights or other entitlements under such an arrangement that does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the listed company's directors and by a majority of its shareholders every three years. The Option Plan does not have a fixed number of Common Shares issuable thereunder. Under the Option Plan, the total number of Common Shares which may be reserved and available for issuance (together with any other security based compensation arrangements) may not exceed 10% of the issued and outstanding Common Shares from time to time; provided, however, that the number of Common Shares reserved and available for issuance pursuant to the Option Plan (together with any other security based compensation arrangements) shall not exceed 10,000,000 Common Shares.

As of the date of this Circular, 1,590,500 Options are outstanding under the Option Plan (representing approximately 1.93% of the Common Shares issued and outstanding as at the date hereof). Taking into account the 1,590,500 Options outstanding, this leaves a reserve of 1,761,598 Common Shares issuable for future Option grants (when taken together with the Company's other security based compensation arrangements), representing approximately 2.14% of the Common Shares issued and outstanding as at the date hereof. The Company's annual burn rate, calculated as described in Section 613(p) of the TSX Company Manual, under the Option Plan was 0.74% in fiscal 2015, 0.00% in fiscal 2016 and 1.51% in fiscal 2017.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below (the "**Option Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving all unallocated Options issuable pursuant to the Option Plan. If the Option Plan Resolution is not approved by the Shareholders at the Meeting, then all Options which have already been granted will not be affected; however, the Corporation will not be permitted to make further grants under the Option Plan until Shareholder approval is obtained. In addition, Options that are exercised, terminate or expire shall not be available for re-grant until the requisite Shareholder approval is obtained.

The Board and management of the Company recommend the approval of the Option Plan Resolution. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE OPTION PLAN RESOLUTION, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE RESOLUTION.

The text of the resolution to be passed is set out below:

"BE IT RESOLVED THAT:

- (1) all unallocated options under the second amended and restated stock option plan (the "**Option Plan**") of BSM Technologies Inc. (the "**Company**") are hereby authorized and approved;
- (2) the Company shall have the authority to continue to grant stock options under the Option Plan until March 22, 2021, being the date that is three years from the date of this resolution; and

- (3) any one director or officer of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

Other Business

If other items of business are properly brought before the Meeting or any adjournment thereof, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at the Meeting.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis (“**CD&A**”) is to describe and explain the Company’s executive compensation strategy, philosophy, objectives and processes and to discuss compensation decisions made by the Company in its most recently completed fiscal year, being Fiscal 2017. In this Circular, a Named Executive Officer (“**NEO**”) means each of the following individuals; (i) the Company’s President and Chief Executive Officer (the “**CEO**”); (ii) the Company’s Chief Financial Officer (the “**CFO**”); (iii) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of Fiscal 2017 whose total compensation was, individually, more than \$150,000 for Fiscal 2017; and (iv) each individual who would be an NEO under (iii) above, but for the fact that he or she was neither an executive officer of the Company, nor serving in a similar capacity, at the end of Fiscal 2017.

The NEOs of the Company for Fiscal 2017 were: (1) Mr. Aly Rahemtulla, the CEO; (2) Mr. Louis De Jong, the CFO; (3) Mr. John Pence, Chief Operating Officer of BSM Analytics Inc. (“**BSM Analytics**”), a wholly owned indirect subsidiary of the Company; (4) Mr. Bryan Karp, Vice-President, Operations of BSM Analytics; and (5) Mr. Peter Callaghan, the former Chief Sales Officer of the Company.

Compensation, Governance and Nominating Committee

The CGN Committee is appointed by the Board to assist in fulfilling its corporate governance responsibilities under applicable laws, to assist in setting director and executive officer compensation, to assist in administering the Company’s equity incentive plans and to develop and submit to the Board recommendations with respect to other compensation, governance and employee benefits matters as the CGN Committee sees fit. The CGN Committee’s assessment of corporate performance is based on a number of qualitative and/or quantitative factors including achievement of financial targets, execution of on-going projects and transactions, operational performance and progress on key growth initiatives. The CGN Committee’s decisions with respect to compensation paid to NEOs in Fiscal 2017, are noted below. Please see “*Compensation Paid to NEOs in Fiscal 2017*”.

As of the date of this Circular, the CGN Committee is composed of five directors: Mr. Frank Maw (Chair), Mr. Andrew Gutman, Mr. Leonard Metcalfe, Mr. Gregory Monahan and Mr. Kelly Edmison. Each of the CGN Committee members has prior management experience determining compensation plans and compensation level in other organizations.

Objectives and General Principles of the Compensation Program

The CGN Committee determines the compensation of the CEO, the CFO, the Company’s Chief Operating Officer, the Company’s Chief Sales Officer and the Company’s Chief Technology Officer (collectively, the “**C-Level Officers**”). The

C-level Officers then determine the compensation program for all other senior management of the Company, including NEOs that are not C-Level Officers. Compensation for the C-Level Officers is determined based on the following objectives and general principles: (i) to attract and retain executives with the management skills required to execute on the Company's objectives; (ii) to reward individual contributions in light of overall business results; (iii) to be competitive with the companies with whom the Company competes for talent; and (iv) to align the interests of the executives with the interests of Shareholders. When determining compensation for all other senior management of the Company, the C-Level Officers follow similar objectives and general principles as those followed by the CGN Committee in determining the C-Level Officers compensation.

Elements of Compensation

The Company's compensation program for the C-Level Officers and certain members of the senior management team is comprised of the following four primary elements:

- (1) base salary;
- (2) short-term incentives, primarily in the form of an annual performance cash bonus plan or sales commission;
- (3) long-term incentives through the participation in: (A) the Option Plan, which is described in this Circular under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Second Amended and Restated Stock Option Plan*"; and (B) the RSU Plan, which is described in this Circular under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Restricted Share Unit Plan*"; and
- (4) other perquisites and benefits.

The Company's compensation program for other senior management, including NEOs that are not C-Level Officers, is comprised of the four elements above; however, depending on the nature of the individual's employment, the short-term incentive described may be based on sales commissions or a separate variable cash bonus plan.

The allocation of compensation among these different compensation elements is flexible and is intended to reflect market practices as well as the CGN Committee's discretionary assessment of an individual's past contribution and ability to contribute to future short-term and long-term business results. The CGN Committee and the C-Level Officers understand that retention of executive officers and senior management is critical to business continuity and succession planning of the Company.

Market Benchmarking

In order to assist the CGN Committee in determining the key elements and the level of compensation for C-Level Officers, the CGN Committee considers the C-Level Officers' compensation in comparison to a broad peer group of companies, with an emphasis on the technology industry. To assist with this analysis, the CGN Committee periodically engages a third-party consultant to review the Company's C-Level Officers and director compensation. This process helps the CGN Committee ensure that the Company's C-Level Officers compensation and benefits package is competitive with competitors and those outlined in the benchmarking analysis. When selecting the appropriate peer companies to survey, the CGN Committee considers companies with a similar revenue size and market capitalization or companies with projected similar revenue size and market capitalization.

In Fiscal 2017, the CGN Committee did not engage a third-party consultant to assist in the review of the Company's executive officer and director compensation. In fiscal 2016, the CGN Committee engaged Willis Towers Watson (the "**Consultant**") to assist in assessing the competitiveness of the compensation provided to the Company's executive officers and the directors. As a part of the review for fiscal 2016, the Consultant compiled a list of peer group companies in the technology industry with similar revenue size and market capitalization or companies with projected similar revenue size and market capitalization. This list included a select sample of 13 Canadian and U.S.

publicly traded organizations and the Consultant's 2016 executive compensation survey of 20 technology companies.

The peer companies reviewed in fiscal 2016 were:

- Sandvine Corporation
- Absolute Software Corporation
- Pure Technologies Ltd.
- Vecima Networks Inc.
- Solium Capital Inc.
- Mediagrif Interactive Technologies Inc.
- Tecsys Inc.
- Park Electrochemical Corp.
- Blucora, Inc.
- TechTarget, Inc.
- American Software, Inc.
- Arotech Corporation
- Zix Corporation

Executive Compensation – Related Fees

The aggregate fees billed by the Consultant, or any of its affiliates, for all services provided in connection with the compensation review were \$32,590 in fiscal 2016 and nil in Fiscal 2017. Neither the Consultant nor any of its affiliates provided any other services to the Company in fiscal 2016 or Fiscal 2017.

How the Company Determines Compensation

The Role of the Compensation, Governance & Nominating Committee

The CGN Committee is responsible for, among other things, making recommendations to the Board with respect to remuneration of the C-Level Officers of the Company. In doing so, the CGN Committee uses information gathered from the independent consultant, if engaged, and its own assessment of performance and feedback from the President and Chief Executive Officer to establish pay strategies for the C-Level Officers. All of the C-Level Officers' compensation components and levels thereof are reviewed annually by the CGN Committee and are subject to review and final approval of the Board. The Board has ultimate discretion to increase or decrease, any and all elements of compensation for the C-Level Officers.

With respect to the other senior management and employees, the C-level Officers develop pay strategies and recommendations within the context of the Company's annual budget and general compensation philosophies outlined by the CGN Committee and the Board. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For other members of senior management, decisions must be approved by the respective C-level Officer responsible for each employee's functional area. Accordingly, to the extent that a non-C-Level Officer becomes an NEO, their compensation will have been set by that employee's functional C-level Officer. For employees below the level of senior management, the C-level Officer and his or her designees have the authority to approve pay strategies. However, the CGN Committee is responsible for approving actions related to other aspects of these employees' compensation, such as any grant of Options or RSUs and any fiscal performance bonus pool.

During Fiscal 2017, the Board accepted all of the recommendations of the CGN Committee. The CGN Committee has full discretion to adopt or alter management recommendations or to consult its own external advisors. The CGN Committee believes it is important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the CGN Committee include holding *in-camera* sessions without management present and, when necessary, obtaining advice from external consultants.

The Role of Management

Mr. Rahemtulla, the President and Chief Executive Officer of the Company, plays an important role in the compensation decision-making process. The CGN Committee engages in active discussions with Mr. Rahemtulla concerning the determination of performance objectives, including individual goals and initiatives for other members of the C-Level Officers, and whether, and to what extent, objectives for the previous year have been achieved for those individuals. Mr. Rahemtulla also submits a self-assessment of his own individual performance objectives and/or results achieved to the CGN Committee.

Mr. Rahemtulla makes recommendations to the CGN Committee regarding the amount and type of compensation awards for other members of the C-Level Officers. Other than individual and corporate goal setting and performance benchmarking, Mr. Rahemtulla does not engage in discussions with the CGN Committee regarding his own compensation. The CGN Committee makes its own determination regarding Mr. Rahemtulla's compensation, guided by an assessment of whether the Company met or exceeded its performance goals for the year in question and Mr. Rahemtulla's success in meeting his individual goals, and makes a recommendation to the Board.

The CGN Committee has *in-camera* discussions to complete an independent assessment of the performance of Mr. Rahemtulla and the other members of the C-Level Officers. The CGN Committee then determines the overall individual performance for each of the C-Level Officers and considers this before making a recommendation to the Board.

Corporate Performance

The Board approves an annual strategic plan and budget outlining corporate objectives in line with the Company's key long-term strategies for growth and value creation. These quantitative and qualitative objectives are utilized by the CGN Committee when making compensation recommendations to the Board for the C-Level Officers.

At the end of each fiscal year, the CGN Committee reviews the results achieved and discusses them with the CEO. For the purposes of compensation deliberations, the CGN Committee reviews actual corporate performance relative to an expected level of performance. The overall corporate performance provides context for the CGN Committee's review of individual performance by the C-Level Officers.

Individual Performance

The CGN Committee may recommend to the Board certain annual individual performance objectives for the C-Level Officers in order to align with the Company's corporate objectives and reflect key performance areas for each C-Level Officer relative to his or her specific role. As with the corporate objectives, individual C-Level Officer performance objectives may include a combination of quantitative and qualitative measures.

A C-Level Officer's compensation relative to other C-Level Officers and other employees is generally considered in establishing compensation levels. The difference between one C-Level Officer's compensation to that of another C-Level Officer reflects, in part, the difference in their relative responsibilities.

Determining Each Element of Compensation

Each of the four elements of C-Level Officer and senior management compensation is determined as follows:

Base Salary

The base salary for each C-Level Officer is determined based on his or her responsibilities, individual performance factors, overall corporate performance, benchmark data, and the assessment of such individual as determined by the CGN Committee. Similarly, the C-Level Officers take into account a member

of senior management responsibilities, individual performance factors overall corporate performance and other assessments when determining base salary.

The base salaries for C-Level Officers and senior management is reviewed annually by the CGN Committee or C-Level officers, as applicable. Base salary is considered as a part of the overall compensation package and is intended to attract and adequately remunerate the C-Level Officers and senior management for properly fulfilling the minimum requirements of their position. Base salary provides compensation certainty to the C-Level Officers and senior management and allows them to make decisions that may be beneficial to the Company, or its stakeholders, independent of considering the impact such decisions might have on their compensation that is tied to either short-term or long-term corporate performance.

Short-term Incentives

The Company provides short-term incentives to the C-Level Officers and senior management through annual performance cash bonus plans. Each C-Level Officer and member of the senior management team is eligible to receive a bonus payment pursuant to the terms of applicable annual performance cash bonus plan. Through the process of creating and approving the Company's annual budget and strategic plan, the Company establishes financial and performance targets for the C-Level Officers' annual performance cash bonus plan. Similarly, as a part of the annual budget and strategic planning process, the C-Level Officers establish financial and performance targets for the senior management team.

The Company's annual performance cash bonus plan for C-Level Officers is reviewed and approved by the CGN Committee and then recommended to the Board for final approval. Both the C-Level Officers' annual performance cash bonus plan and the senior management annual performance bonus plan are based upon certain financial and performance targets set for the Company in an applicable fiscal year.

The CGN Committee attempts to align the financial and performance targets in the C-Level Officers' annual performance cash bonus plan with those which the CGN Committee believes will enhance future Shareholder value. In Fiscal 2017, the key financial and performance targets were based on: (i) Adjusted EBITDA (as defined below); and (ii) net subscriber growth. Generally, the amounts available under the applicable annual performance cash bonus plan will be paid if the Company meets its annual or quarterly targets for Adjusted EBITDA and net subscriber growth as set out in the Company's annual budget.

From time to time, the CGN Committee may change the applicable financial and performance targets in order to provide continued incentives to C-Level Officers and other members of senior management throughout the year, if it becomes clear that the quarterly and annual targets as originally outlined become clearly unachievable.

Long-term Incentives – Options and RSUs

The Company provides long-term incentive compensation to the C-Level Officers and members of senior management through the granting of Options and RSUs. These long-term incentive arrangements are designed to motivate the C-Level Officers and members of senior management to achieve longer-term sustainable business results, to align their interests with those of Shareholders and to attract and retain current and future C-Level Officers and members of senior management. The Company has determined that, generally, RSUs provide greater tangible benefits to the Company than typical Options due to their enhanced ability to attract, retain and encourage both current and potential employees and C-Level Officers by affording them the opportunity to acquire a proprietary interest in the Company. RSUs tie pay to performance because the value of the RSUs when they vest is based solely on the share price at that time. Thus, declines in share price have a negative impact on compensation, while increases have a positive impact. In addition, the three-year annual vesting period for RSUs pursuant to the terms of the RSU Plan, serves as a retention tool for the C-Level Officers and other senior management and employees.

For a more detailed description of the considerations involved in granting Options and RSUs, please see "*Share-Based and Option-Based Awards*" below.

Other Perquisites and Benefits

The Company provides a management benefit plan to its C-Level Officers, which include, health, medical and insurance benefits, along with a health spending account. In addition, the CEO also receives a car allowance and memberships with the Young Presidents of Ontario and the Institute of Corporate Directors, ICD.D. The Company believes its benefits program is reasonable and consistent with its overall executive compensation program and is based on competitive market practices. These perquisites are not afforded to all employees of the Company.

Compensation Paid to NEOs in Fiscal 2017

(1) Base Salary:

Base salaries for C-level Officers are reviewed annually by the CGN Committee. The C-level Officers determine the compensation program for all other NEOs. The following changes were made to the base salaries of the NEOs in Fiscal 2017:

- Effective October 1, 2016, following the acquisition of substantially all of the assets of Mobi Corp. ("Mobi") by BSM Analytics (the "**Mobi Acquisition**"), Mr. Callaghan's base salary was increased to \$200,000 per annum from \$180,000 per annum.
- Effective October 3, 2016, following the Mobi Acquisition, Mr. Pence joined BSM Analytics and received a base salary of US\$250,000 per annum.
- Effective October 3, 2016, following the Mobi Acquisition, Mr. Karp joined BSM Analytics and received a base salary of US\$200,000 per annum.

(2) Short-Term Incentive Plans:

In Fiscal 2017, the Company had three separate short-term incentive plans applicable to an NEO, depending on the NEOs position. First, Messrs. Rahemtulla and De Jong, along with the Company's Chief Operating Officer and the Company's Chief Technology Officer, participated in the Company's C-Level Officers performance cash bonus plan (the "**C-Level Bonus Plan**"). The C-Level Bonus Plan, including the funds allocated to the C-Level Bonus Plan, was based upon the Company's VC Adjusted EBITDA (as defined below) and Net Subscriber (as defined below) results against the Company's plan. In addition to the C-Level Bonus Plan, the Company also implemented a performance cash bonus plan for certain members of the senior management team (excluding C-Level Officers) (the "**SMT Bonus Plan**"), and together with the C-Level Bonus Plan, the "**FY2017 Bonus Plans**"). In order for the C-Level Officers to be eligible for a bonus payment under the C-Level Bonus Plan, the senior management team first needed to earn a bonus payment under the SMT Bonus Plan.

Second, Mr. Callaghan's Fiscal 2017 short-term incentive plan was a quarterly performance cash bonus plan (the "**CSO Bonus Plan**"). The CSO Bonus Plan and the amount of the funds allocated to the CSO Bonus Plan was based on the Company's quarterly revenue performance against the Company's plan.

Prior to the Mobi Acquisition, Messrs. Pence and Karp, in addition to the senior management team of Mobi, participated in a discretionary bonus plan that was funded by the recurring revenue results of Mobi (the "**Legacy Mobi Bonus Plan**") At the beginning of each calendar year, the Legacy Mobi Bonus Plan was allocated an initial amount of funds, and the allocation of funds increased depending on the recurring revenue results of Mobi. After the Mobi Acquisition, the C-Level Officers determined that BSM Analytics would adopt the Legacy Mobi Bonus Plan for Messrs. Pence and Karp on substantially the same terms for Fiscal 2017 (the "**BSM Analytics Bonus Plan**"). The

BSM Analytics Bonus Plan was based upon the Recurring Revenue (as defined below) performance of BSM Analytics in Fiscal 2017.

“Adjusted EBITDA”, “VC Adjusted EBITDA” and “Recurring Revenue” are non-GAAP measures and do not have any standardized meaning prescribed by the Company’s GAAP and are therefore unlikely to be comparable to similar measures presented by other reporting issuers. Please see “*Non-GAAP Financial Measures and Key Performance Indicators*” below for additional details regarding these metrics.

(i) *C-Level Officer Fiscal 2017 Short-Term Incentive Plan*

Messrs. Rahemtulla and De Jong’s maximum potential bonus payment under the C-Level Bonus Plan was 130% of their Fiscal 2017 base salary and their target potential bonus payment for meeting certain thresholds was 65% of their Fiscal 2017 base salary. The Company believes that these targets were sufficiently and appropriately difficult to reach, while still being achievable. The FY2017 Bonus Plans were based upon the Company’s VC Adjusted EBITDA results in Fiscal 2017 as follows:

Fiscal 2017 VC Adjusted EBITDA Results	SMT Bonus Plan Allocation	C-Level Bonus Plan Allocation
(\$)	(\$)	(\$)
0 -10,000,000	nil	nil
10,000,000 – 10,400,000	nil – 400,000	nil
10,400,000 – 11,037,225	400,000	nil – 637,225
11,037,225 – 14,676,000	400,000 – 672,908	637,225 – 1,274,011

Note:

(1) VC Adjusted EBITDA means: (i) the Company’s Adjusted EBITDA results; **plus** (ii) the amount that the Company paid as bonus compensation in the Company’s Adjusted EBITDA calculation. VC Adjusted EBITDA is a non-GAAP financial measure and does not have any standardized meaning prescribed by the Company’s GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. Please see “*Non-GAAP Financial Measures and Key Performance Indicators*” below for additional details regarding this metric.

In addition to the VC Adjusted EBITDA results target, if the Company generated between 8,300 and 16,600 Net Subscribers in Fiscal 2017, the SMT Bonus Plan allocation of funds and the C-Level Bonus Plan allocation of funds would be increased by an incremental percentage from 0%-25% based upon the number of Net Subscribers. If the Company did not generate at least 8,300 Net Subscribers in Fiscal 2017, the SMT Bonus Plan allocation of funds and the C-Level Bonus Plan allocation of funds would be reduced by 25%.

The CGN Committee set the Company’s VC Adjusted EBITDA targets in the FY2017 Bonus at \$11,037,225 (the “**VC Adjusted EBITDA Target**”). For Messrs. Rahemtulla and De Jong, if the Company achieved the VC Adjusted EBITDA Target, their performance bonus payment under the C-Level Bonus Plan was set at approximately 65% of their base salary. For eligible participants in the SMT Bonus Plan, any bonus payment was contingent upon individual performance, which was determined in the Company’s sole and absolute discretion. Mr. Rahemtulla’s potential portion of the C-Level Bonus Plan allocation of funds was approximately 34% and Mr. De Jong’s potential portion was approximately 28% of the funds.

In Fiscal 2017, the Company generated approximately \$8,300,000 of VC Adjusted EBITDA. As a result, no allocation of funds was made to the FY2017 Bonus Plans and Messrs. Rahemtulla and De Jong did not receive a bonus payment under the C-Level Bonus Plan.

(ii) *Chief Sales Officer Fiscal 2017 Short-Term Incentive Plan*

In Fiscal 2017, the Chief Sales Officer had a short-term incentive plan that was separate from the other C-Level Officers and NEOs. The Chief Sales Officer bonus plan (the “**CSO Bonus Plan**”) was a quarterly bonus plan based on the Company’s quarterly revenue results in Fiscal 2017. Mr. Callaghan’s maximum potential bonus payment under the CSO Bonus Plan was 100% of his Fiscal 2017 base salary and his target potential bonus payment for meeting

certain thresholds was uncapped. The Company believes that these targets were sufficiently and appropriately difficult to reach, while still being achievable.

Under the CSO Bonus Plan, the Company's quarterly revenue targets were as follows:

Period:	Revenue Target: (\$)
First Quarter	17,188,943
Second Quarter	16,839,989
Third Quarter	17,553,344
Fourth Quarter	18,484,235

In order to be eligible to receive a quarterly bonus payment, the Company needed to achieve at least 95% of the quarterly revenue target. If the Company did not achieve at least 95% of the quarterly revenue target, Mr. Callaghan was not eligible for any quarterly bonus payment. In addition, any potential quarterly bonus payment earned by Mr. Callaghan would be reduced by 25% in each quarter if the Company's Net Subscribers did not increase by at least 2,075 Net Subscribers (the "**Quarterly Subscriber Target**"). If the Company increased the number of Net Subscribers by 8,300 Net Subscribers in Fiscal 2017, Mr. Callaghan was eligible to receive an additional bonus payment equal to any deductions that occurred to a previously earned quarterly bonus payment due to the Company failing to achieve the Quarterly Subscriber Target.

Under the terms of the CSO Bonus Plan, Mr. Callaghan received bonus payments totalling approximately \$43,864 in respect of Fiscal 2017.

(iii) *BSM Analytics Fiscal 2017 Short-Term Incentive Plan*

Under the terms of the BSM Analytics Bonus Plan, Mr. Pence received a bonus payment totalling approximately US\$50,000 and Mr. Karp received a bonus payment totalling US\$40,000 due to BSM Analytics' recurring revenue performance in Fiscal 2017.

(3) Long-Term Incentive Plans:

For Fiscal 2017, the CGN Committee utilized the following criteria for determining certain RSU grants to C-Level Officers: (i) Fiscal 2017 base salary; plus (ii) Fiscal 2017 bonus award, if any; multiplied by (iii) 40%; divided by (iv) the volume weighted average price of the Common Shares on the TSX for Fiscal 2017. Pursuant to the terms of the RSU Plan, in December 2017, Mr. Rahemtulla received a grant of 87,533 RSUs and Mr. De Jong received a grant of 72,944 RSUs. Effective October 12, 2017, Mr. Callaghan was no longer with the Company, and, accordingly, did not receive an RSU grant.

Following the Mobi Acquisition, as a long-term incentive to motivate Messrs. Pence and Karp and to achieve longer-term sustainable business results, the CGN Committee granted Mr. Pence 500,000 Options and Mr. Karp 300,000 Options in October 2016. These Option grants vests 1/3 on each anniversary of the grant date and expire in five years from the date of grant.

Compensation Plan Changes for Fiscal 2018

(1) Base Salary:

The following changes were made to the base salaries of the NEOs in fiscal 2018:

- Effective October 1, 2017, Mr. Rahemtulla's base salary was increased to \$336,600 per annum from \$330,000 per annum.

- Effective October 1, 2017, Mr. De Jong’s base salary was increased to \$280,500 per annum from \$275,000 per annum.

(2) Short-Term Incentive Plans:

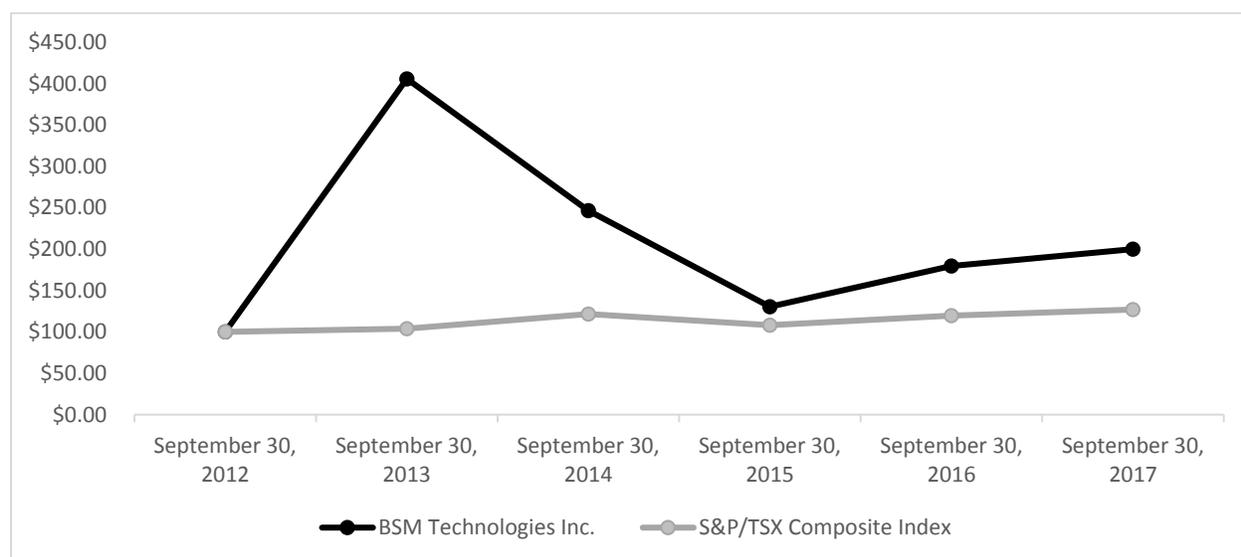
The short-term incentive plans for Messrs. Rahemtulla and De Jong have been determined by the CGN Committee for fiscal 2018 to align with current internal targets, budgets and forecasts. Similar to Fiscal 2017, for fiscal 2018, the C-Level bonus plan performance targets will be based upon the Company’s VC Adjusted EBITDA performance and the Company’s Net Subscriber growth performance. In general, the Company’s VC Adjusted EBITDA performance and the Company’s Net Subscriber growth performance will trigger the creation of the pool of funds available to the C-Level bonus plan and the senior management team bonus plan. In order for the C-Level Officers to earn a bonus payment under the C-Level bonus plan, the senior management team will first need to earn a bonus payment under the senior management team bonus plan.

(3) Perquisites and Benefits:

For fiscal 2018, Messrs. Rahemtulla and De Jong’s health spending account was increased from \$10,000 to \$12,500.

Share Performance Chart

The following graph and chart shows the Shareholder return on the Common Shares for the five year period from September 30, 2012, and ending September 30, 2017, together with the cumulative return for the S&P/TSX Composite Index for the same period, based on the closing price of the Common Shares on the last trading day of each year. The chart assumes an initial investment of \$100.00.



	September 30, 2012	September 30, 2013	September 30, 2014	September 30, 2015	September 30, 2016	September 30, 2017
BSM Technologies Inc.	\$100.00	\$405.80	\$246.38	\$130.43	\$179.71	\$200.00
S&P/TSX Composite Index	\$100.00	\$103.82	\$121.46	\$108.03	\$119.55	\$126.93

The trend in the graph and table above illustrates that the performance of the Common Shares overall has surpassed the performance of the S&P/TSX Composite Index over the past five fiscal years. As described above, the compensation for NEOs is influenced by a variety of factors including corporate and individual performance as well as the share price performance. The NEOs are compensated in large part based on their performance in meeting corporate targets, as well as general market compensation trends. In addition, a portion of the C-Level Officers' overall compensation is comprised of share-based awards, and accordingly, overall C-Level Officer compensation generally increases in periods where the Company's share price increases and decreases in periods where the Company's share price decreases.

Share-Based and Option-Based Awards

On August 17, 2015, the Board approved the adoption of the Option Plan, which was subsequently approved by Shareholders on September 23, 2015. Participants in the Option Plan benefit only if the market value of the Common Shares at the time of Option exercise is greater than the exercise price of the Options at the time of grant. For a detailed description of the Option Plan, please see "*Securities Authorized for Issuance under Equity Compensation Plans – Second Amended and Restated Stock Option Plan*".

The granting of Options and vesting periods are recommended by the CGN Committee and approved by the Board. The CGN Committee takes into consideration a number of factors prior to the grant of Options including, but not limited to, an individual's level of responsibility within the Company, previous Option grants and the individual's status in light of their position, ongoing responsibilities and prevailing market conditions. The NEOs are instrumental in making recommendations to the CGN Committee for Options granted to other employees. In the context of the Company's evolving compensation philosophy, policies and practices, the CGN Committee reviews the criteria for granting Options during its ongoing review of the Company's compensation philosophy, policies and practices.

On February 11, 2016, the Board approved certain amendments to the RSU Plan, which was subsequently approved by Shareholders on March 23, 2016. Generally, participants benefit only if they remain with the Company three years from the grant date of any RSUs, after which they will be issued a Common Share of the Company. For a detailed description of the RSU Plan, please see "*Securities Authorized for Issuance under Equity Compensation Plans – Restricted Share Unit Plan*".

The granting of RSUs are recommended by the CGN Committee and approved by the Board. Grants of RSUs are made both on a discretionary basis and, for C-Level Officers, based on the criteria set forth below. Generally, RSU grants will be made after the release of the Company's annual audited consolidated financial statements or interim consolidated financial statements. Both the CGN Committee and the Board review previous share-based and option-based awards when considering new grants. In addition, subject to the terms and conditions of the RSU Plan, generally, the amount of RSUs granted to C-Level Officers will be based determined in accordance with the following formula: (i) the previous fiscal year's base salary; plus (ii) the previous fiscal year's bonus award, if any; multiplied by (iii) 40%; divided by (iv) the volume weighted average price of the Common Shares on the TSX, for the Company's previous fiscal year.

Compensation Risk

When setting compensation levels, the Company seeks to alleviate risk by having a balance of short-term and long-term compensation. For example, Options and RSUs typically do not vest immediately, which allows for continued appreciation and does not jeopardize the Company. As a part of reviewing compensation levels, the Company seeks an appropriate balance of base pay, variable pay opportunities based on the achievement of business objectives, Option grants and Common Share ownership to balance short-term and long-term interests of the Company by tying compensation to the achievement of the business objectives of the Company, while also ensuring that the C-Level Officers and senior management of the Company have sufficient equity exposure to align their interests with the interests of Shareholders.

The Company believes that the compensation policies it has established reflect an appropriate mixture of guaranteed compensation, incentive-based compensation through short-term incentive plans and risk mitigation. The CGN Committee currently believes that its compensation policies and practices will not lead to inappropriate or excessive risk taking on the part of the C-Level Officers or any employees of the Company. However, the CGN Committee has not specifically considered the implications of the risks associated with the Company's compensation policies or practices

Financial Instruments

Pursuant to the Company's insider trading policy, the C-Level Officers and other employees of the Company are prohibited from engaging in the following transactions with respect to the Company's securities: (i) short sales; (ii) monetization of equity awards (e.g. Options, RSUs or DSUs) before vesting; (iii) transactions in derivatives on the Company's securities such as put and call options; and (iv) any other hedging or equity monetization transactions where the C-Level Officers' economic interest and risk exposure in the Company's securities are changed, such as collars or forward sale contracts. To the Company's knowledge, no C-Level Officer or director of the Company has entered into or purchased any such financial instruments.

Non-GAAP Financial Measures and Key Performance Indicators

Non-GAAP Financial Measures

This Circular refers to the financial measures "EBITDA", "Adjusted EBITDA", "VC Adjusted EBITDA", and "Recurring Revenue" which are "non-GAAP financial measures" under applicable securities laws. Non-GAAP financial measures do not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that that the disclosure of these items are meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined by GAAP.

"EBITDA" and "Adjusted EBITDA" are measures of the Company's operating profitability. The Company believes that EBITDA and Adjusted EBITDA provide useful information to the Company's investors because they exclude transactions not related to the core cash operating business activities, allowing meaningful analysis of the performance of the Company's core cash operations. EBITDA is an indicator of the financial results generated by the Company's business activities excluding:

- the impact of any financing activities;
- amortization and depreciation of property and equipment and intangible assets; and
- taxes with respect to various jurisdictions.

Adjusted EBITDA is a further refinement of EBITDA to remove the effect of:

- acquisition, integration and restructuring related costs;
- share-based compensation expense;
- write-off of goodwill or other impairments to any financial and non-financial assets;
- fair value adjustments on contingent consideration;
- costs related to certain legal actions; and
- gains and losses resulting from the translation of non-Canadian dollar working capital balances.

VC Adjusted EBITDA is a further refinement that takes into account the amount that the Company paid as bonus compensation in the Company’s Adjusted EBITDA calculation.

“Recurring Revenue” includes monthly fees, monthly monitoring fees, and the resale of cellular and satellite data by the Company.

Key Performance Indicators

This Circular refers to certain key performance indicators such as “Subscriber” and “Net Subscriber”. These key performance indicators do not have any standardized and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that that the disclosure of these items are meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined by GAAP.

The Company defines “Subscriber” as one of the Company’s customer’s individual assets monitored by a telematics device from which it generates Recurring Revenue. As such, the Company gains a Subscriber when the Company invoices customers for services relating to a new telematics device not previously in the Company’s Subscriber base. On the other hand, the Company loses a Subscriber (churns) when the Company is no longer invoicing a Subscriber for services related to a telematics device due to cancellation or expiry of the applicable agreement.

The Company defines “Net Subscribers” as: (i) Subscribers additions; **less** (ii) Subscriber churn in a specified period of time.

Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation awarded or paid to the Company’s NEOs for the last three fiscal years ended September 30:

Summary Compensation Table ⁽¹⁾								
Name and Principal position	Year ⁽¹⁾	Salary	Share-Based Awards ⁽²⁾	Option-Based Awards ⁽³⁾	Non-equity Incentive Plan Compensation	Pension Value ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total Compensation
					Annual Incentive Plans			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Aly Rahemtulla President and Chief Executive Officer (June 16, 2008 - Present)	2017	330,000	112,042	Nil	Nil	Nil	50,205	492,247
	2016	330,000	651,430	Nil	185,705	Nil	47,385	1,214,520
	2015	300,000	537,057	Nil	75,000	Nil	37,235	949,292
Louis De Jong Chief Financial Officer (January 15, 2014 - Present)	2017	275,000	93,368	Nil	Nil	Nil	23,005	391,373
	2016	275,000	538,151	Nil	154,754	Nil	20,000	987,905
	2015	250,000	252,922	Nil	75,000	Nil	19,270 ⁽⁶⁾	597,192
John Pence	2017	328,404 ⁽⁷⁾	Nil	265,000	65,681	Nil	15,763	674,848

Summary Compensation Table ⁽¹⁾								
Name and Principal position	Year ⁽¹⁾	Salary	Share-Based Awards ⁽²⁾	Option-Based Awards ⁽³⁾	Non-equity Incentive Plan Compensation	Pension Value ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total Compensation
					Annual Incentive Plans			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Former Chief Operating Officer, BSM Analytics (October 3, 2016 – December 31, 2017)	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bryan Karp Vice-President – Operations, BSM Analytics (October 3, 2016 – Present)	2017	262,723 ⁽⁷⁾	Nil	159,000	52,545	Nil	7,356	481,624
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Callaghan Former Chief Sales Officer (September 30, 2015 – October 12, 2017)	2017	200,000	212,800	Nil	43,865	Nil	10,000	466,665
	2016	180,000	Nil	Nil	83,961 ⁽⁸⁾	Nil	15,000	278,961
	2015	160,000	Nil	Nil	110,000 ⁽⁹⁾	Nil	15,000	285,000

Notes:

- (1) Fiscal 2015 covers the financial period from October 1, 2014, to September 30, 2015, inclusive. Fiscal 2016 covers the financial period from October 1, 2015, to September 30, 2016, inclusive. Fiscal 2017 covers the financial period from October 1, 2016, to September 30, 2017, inclusive.
- (2) The amounts reflected in this column relate to RSU awards. RSU awards were valued using the fair market value of Common Shares on the TSX on the respective RSU award dates. Generally, RSU awards do not vest until the third anniversary of the RSU award date. The share-based awards reflected in this column have been included in the applicable fiscal year on the following basis: (i) the date of RSU award; or (ii) if granted in connection with services provided in an applicable fiscal year, the amount is allocated to that fiscal year notwithstanding the RSU award date occurs in a subsequent fiscal year. As a result of these changes, the figures in the share-based award column and the total compensation for the fiscal year 2015 in the management information circular dated February 11, 2016 (the “2015 Circular”), have been revised and restated herein.
- (3) On October 6, 2016, the Company granted: (i) 500,000 Options to Mr. Pence; and (ii) 300,000 Options to Mr. Karp. These Options have an exercise price of \$1.27 per Common Share and an expiry date of October 5, 2021. The fair value of these Options, as at the date of grant, was estimated using the Black-Scholes-Merton option pricing model with the following assumptions: four year expected term; 54.0% volatility; risk-free interest rate of 0.66% per annum; and a dividend yield of 0%. These granted Options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.
- (4) The Company currently does not have a defined benefit plan or a defined contribution plan.
- (5) “All other compensation” for Messrs. Rahemtulla, De Jong and Callaghan include a health spending account and a RRSP matching contribution from the Company in an amount up to 5% of their annual base salary per year, if a contribution is made. In addition, for Mr. Rahemtulla, “All other compensation” includes an annual car allowance and professional memberships. For Messrs. Pence and Karp “All other compensation” includes the Company’s contribution in connection with Messrs. Pence and Karp’s participation in the Company’s 401(k) plan.
- (6) Mr. De Jong was provided with an RRSP matching contribution in the amount of \$12,500 after the date of the 2015 Circular. As a result of this payment, “all other compensation” for the fiscal year 2015 for Mr. Jong has been revised and restated herein to include this payment.
- (7) Mr. Pence’s base salary was US\$250,000 per annum and Mr. Karp’s base salary is US \$200,000 per annum. Compensation paid in United States dollars to Messrs. Pence and Karp was converted to Canadian dollars using the Bank of Canada average noon rate of US\$1.00 = \$1.3136 for Fiscal 2017.

- (8) In addition to Mr. Callaghan bonus payments pursuant to the fiscal 2016 Chief Sales Officer bonus plan, Mr. Callaghan received a commission payment of \$35,000 pursuant to his Webtech employment agreement for commissions earned in the period of October 1, 2015 to December 31, 2015.
- (9) In connection with the Webtech Acquisition, Mr. Callaghan received a completion bonus in the amount of \$25,000 for the successful completion of the Webtech Acquisition and a retention bonus of \$50,000 retention bonus for remaining with the Company. In addition, pursuant to Mr. Callaghan's Webtech employment agreement, Mr. Callaghan also received a \$35,000 annual bonus payment for services provided in 2015.

Incentive Plan Awards – Named Executive Officers

Outstanding Option-Based Awards

The following table sets forth details of all Option based awards outstanding for each NEO of the Company as of September 30, 2017:

Name	Option-based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾
	(#)	(\$)		(\$)
Aly Rahemtulla President and Chief Executive Officer	270,500 Options	1.45	01/15/2018	Nil
Louis De Jong Chief Financial Officer	100,000 Options 225,000 Options	1.45 3.21	01/15/2018 01/06/2019	Nil Nil
John Pence Former Chief Operating Officer, BSM Analytics ⁽²⁾	500,000 Options	1.27	10/05/2021	55,000
Bryan Karp Vice-President – Operations, BSM Analytics	300,000 Options	1.27	10/05/2021	33,000
Peter Callaghan Former Chief Sales Officer ⁽³⁾	106,800 BSM Replacement Options	0.44	11/10/2019	100,392

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, and the Option or BSM Replacement Option exercise price by the number of outstanding Options or BSM Replacement Options. Where the difference is negative, the Options or BSM Replacement Options are not "in-the-money" and no value is ascribed. These granted options may or may not ever be exercised. Whether granted Options or BSM Replacement Options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options or BSM Replacement Options become "in-the-money".
- (2) Mr. Pence ceased to be the Chief Operating Officer on BSM Analytics on December 31, 2017.
- (3) Mr. Callaghan ceased to be the Chief Sales Officer of the Company on October 12, 2017.

Outstanding Share-Based Awards

The following table sets forth details of all share-based awards outstanding for each NEO of the Company as of September 30, 2017:

	Share-based Awards			
	Number of shares or units of shares that have not vested	Expiration date	Market or payout value of share-based awards that have not vested ⁽¹⁾	Market Value or payout value of vested share based awards not paid out or distributed ⁽²⁾
	(\$)		(\$)	(\$)
Aly Rahemtulla President and Chief Executive Officer	295,587 RSUs	12/18/2017	407,910	Nil
	115,800 RSUs	12/18/2018	159,804	Nil
	275,000 RSUs	08/17/2019	379,500	Nil
	212,925 RSUs	01/06/2020	293,837	Nil
Louis De Jong Chief Financial Officer	114,819 RSUs	12/18/2017	158,450	Nil
	96,500 RSUs	12/18/2018	133,170	Nil
	225,000 RSUs	08/17/2019	310,500	Nil
	177,438 RSUs	01/06/2020	244,864	Nil
John Pence Former Chief Operating Officer, BSM Analytics ⁽³⁾	Nil	Nil	Nil	Nil
Bryan Karp Vice-President – Operations, BSM Analytics	Nil	Nil	Nil	Nil
Peter Callaghan Former Chief Sales Officer ⁽⁴⁾	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, and the number of RSUs.
- (2) Pursuant to the RSU Plan, generally, RSUs do not vest until the third anniversary of the RSU award date.
- (3) Mr. Pence ceased to be the Chief Operating Officer on BSM Analytics on December 31, 2017.
- (4) Mr. Callaghan ceased to be the Chief Sales Officer of the Company on October 12, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the NEOs, the value of Option and share-based awards which vested during the year ended September 30, 2017, and the value of non-equity incentive plan compensation earned during the year ended September 30, 2017:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾
	\$	\$	\$
Aly Rahemtulla President and Chief Executive Officer	Nil	Nil	Nil
Louis De Jong Chief Financial Officer	Nil	Nil	Nil
John Pence Former Chief Operating Officer, BSM Analytics ⁽⁴⁾	Nil	Nil	65,681

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾
	\$	\$	\$
Bryan Karp Vice-President – Operations, BSM Analytics	Nil	Nil	52,545
Peter Callaghan Former Chief Sales Officer ⁽⁵⁾	Nil	Nil	43,865

Notes:

- (1) Calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options by the number of Options. Where the difference is negative, the Options are not “in-the-money” and no value is ascribed. These Options may or may not ever be exercised. Whether Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the Options become “in-the-money”.
- (2) Generally, RSUs do not vest and become redeemable until the third anniversary of the date of the RSU award date. The amount is calculated by multiplying the number of RSUs by the market price of the Common Shares on the TSX on the vesting date.
- (3) All compensation paid in United States dollars to Messrs. Pence and Karp was converted to Canadian dollars using the Bank of Canada average = rate of USD\$1.00 = \$1.3136 for Fiscal 2017.
- (4) Mr. Pence ceased to be the Chief Operating Officer on BSM Analytics on December 31, 2017.
- (5) Mr. Callaghan ceased to be the Chief Sales Officer of the Company on October 12, 2017.

Pension Plan Benefits

No benefits were paid and no benefits are proposed to be paid to any of the NEOs under any pension or retirement plan.

Management Agreements and Termination and Change of Control Benefits

Employee Agreements

The Company has written employment agreements with all of the NEOs. Under these employment agreements, the NEOs are required to work full time for the Company and are eligible to receive equity incentives and performance-based variable pay opportunities. For the NEOs that are C-Level Officers, the eligibility to receive equity incentives and performance-based variable pay opportunities is at the discretion of the CGN Committee and the Board. For NEOs that are not C-Level Officers, the eligibility to receive equity incentives and performance-based variable pay opportunities is at the discretion of the C-Level Officers. The material terms and conditions of the NEO employment agreements are set out below:

Aly Rahemtulla

Mr. Rahemtulla provides services as President and CEO of the Company pursuant to an employment agreement dated December 1, 2012, as amended from time to time (collectively, the “**Rahemtulla Employment Agreement**”).

Pursuant to the Rahemtulla Employment Agreement, Mr. Rahemtulla is currently entitled to: (i) a base salary which is reviewed annually by the CGN Committee and the Board; (ii) a discretionary performance bonus for each fiscal year of the Company, up to 130% of his annual base salary, subject to the achievement of milestones and conditions to be outlined annually by the Board; (iii) participation in the Company’s management benefit plans; (iv) participation in the Company’s equity incentive plans, including the Option Plan and the RSU Plan; (v) reimbursement of his reasonable expenses in connection with the business of the Company; (vi) participate in the Company’s RRSP matching plan whereby the Company will match 100% of Mr. Rahemtulla’s personal RRSP contribution, if any, up to a maximum of 5% of Mr. Rahemtulla’s annual base salary per year; (vii) an annual car allowance worth up to \$1,500 per month; (viii) a health spending account worth up to \$12,500 per annum; and (ix) professional development fees.

Mr. Rahemtulla's annual performance bonus, if any, will be paid (subject to the foregoing provisions) in cash, within a reasonable period after the end of the applicable fiscal year. The Rahemtulla Employment Agreement is for an indefinite term, unless the employment of Mr. Rahemtulla is terminated earlier in accordance with the provisions of the Rahemtulla Employment Agreement.

The Rahemtulla Employment Agreement contains non-solicitation and non-competition restrictive covenants.

Louis De Jong

Mr. De Jong provides services as the Chief Financial Officer of the Company pursuant to an employment agreement dated February 11, 2016, as amended (the "**De Jong Employment Agreement**"). Pursuant to the De Jong Employment Agreement, Mr. De Jong is currently entitled to: (i) a base salary which is reviewed annually by the CGN Committee and the Board; (ii) participation in the Company's equity incentive plans, including the Option Plan and the RSU Plan; (iii) participation in the Company's annual executive performance cash bonus plan, as may be amended from time to time, which has the potential to pay up to 130% of his annual base salary, subject to the achievement of certain quantitative and qualitative targets that are determined annually by the CGN Committee and the Board; (iv) participation in the Company's executive benefits plan, including a health spending account worth up to \$12,500; (v) reimbursement of his reasonable expenses in connection with the business of the Company; and (vi) participation in the Company's RRSP matching plan whereby the Company will match 100% of Mr. De Jong's personal RRSP contribution in a calendar year, if any, up to a maximum of 5% of Mr. De Jong's annual base salary per year.

Subject to the terms and conditions of the annual executive performance cash bonus plan, Mr. De Jong's annual performance bonus, if any, will be paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The De Jong Employment Agreement is for an indefinite term, unless the employment of Mr. De Jong is terminated earlier in accordance with the provisions of the De Jong Employment Agreement.

The De Jong Employment Agreement contains non-solicitation and non-competition restrictive covenants.

Bryan Karp

Mr. Karp provides services as the Vice-President, Operations of BSM Analytics pursuant to an employment agreement dated October 1, 2016 (the "**Karp Employment Agreement**"). Pursuant to the Karp Employment Agreement, Mr. Karp is currently entitled to: (i) a base salary which is reviewed annually; (ii) participation in the Company's equity incentive plans, including the Option Plan and the RSU Plan; (iii) participation in a discretionary incentive compensation plan; (iv) participation in BSM Analytics' benefits plans; and (v) reimbursement of his reasonable expenses in connection with the business of the Company.

The Karp Employment Agreement is an at-will employment agreement and may be terminated by either BSM Analytics or Mr. Karp, subject to the termination provisions contained therein. The Karp Employment Agreement contains non-solicitation and non-competition restrictive covenants.

John Pence

Mr. Pence ceased being the Chief Operating Officer of BSM Analytics on December 31, 2017.

Peter Callaghan

Mr. Callaghan ceased being the Chief Sales Officer of the Company on October 12, 2017.

Estimated Incremental Payments on Change of Control, Termination Without Cause, All Other Termination

Termination without Cause

Aly Rahemtulla

In the event that the Rahemtulla Employment Agreement is terminated without cause, Mr. Rahemtulla is entitled to (i) the equivalent of one year's base salary plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; (ii) the previous year's unpaid bonus award, if any, if unpaid; (iii) payment of an amount on account of bonus based upon the average monthly bonus award for the previous year or the current year, whichever is higher, for 12 months plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; (iv) current automobile allowance for 12 months plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; and (v) any continued group benefit coverage for 12 months plus one additional month for each full year employment completed based on a start date of July 1, 2008, up to a maximum of 24 months; provided that, if such benefits are not provided for the whole period, Mr. Rahemtulla shall receive the amount per month that the Company paid for the benefits of Mr. Rahemtulla.

Louis De Jong

In the event that the De Jong Employment Agreement is terminated without cause, Mr. De Jong is entitled to: (a) payment of all accrued base salary and accrued but unused vacation pay to the date of termination; (b) reimbursement of approved business expenses incurred to the date of termination, in accordance with the Company's policies then in effect; (c) payment of the previous year's unpaid bonus award, if any, if unpaid; (d) a lump sum payment equal to the average amount of the previous two years bonus award; (e) at Mr. De Jong's election either: (i) a continuation of Mr. De Jong's base salary then in effect for a period of 12 months from the date of termination; or (ii) a lump sum payment equal to 12 months of Mr. De Jong's base salary then in effect at the date of termination; and (f) a continuation of all of Mr. De Jong's benefits for the minimum period required by the Employment Standards Act (Ontario) (the "ESA") and, to the extent permitted by applicable benefits plans, a continuation of medical benefits (excluding any long-term disability and short-term disability) for a total period of 12 months from the date of termination.

In order to receive the payments and benefits conferred upon a termination without cause, Mr. De Jong will be required to sign a release in favour of the Company in exchange for the payments and benefits set out above.

Bryan Karp

If the Karp Employment Agreement is terminated without cause or for Good Reason, Mr. Karp is entitled to: (a) any unpaid compensation, benefits and expenses earned or accrued under the Karp Employment Agreement up to and including the effective date of termination; (b) eight weeks base salary; (c) for a period of eight weeks following the date of termination, BSM Analytics agrees to reimburse Mr. Karp for the full premium costs associated with receiving, should Mr. Karp elect so, continuation coverage for medical and dental benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for Mr. Karp and those of Mr. Karp's covered dependents who participated immediately prior to Mr. Karp's termination of employment. For purposes of the Karp Employment Agreement, "Good Reason" means a material breach by BSM Analytics of any term of the Karp Employment Agreement, including a reduction in Mr. Karp's base salary or material diminution in duties without Mr. Karp's consent, or a relocation of BSM Analytics' principal office of more than 50 miles, which breach is not cured within 30 days of written notice of the material breach by Mr. Karp to BSM Analytics.

In order to receive the payments and benefits conferred upon a termination without cause, Mr. Karp will be required to sign a release in favour of the Company in exchange for the payments and benefits set out above.

John Pence

Mr. Pence ceased being the Chief Operating Officer of BSM Analytics on December 31, 2017. As part of Mr. Pence's severance, Mr. Pence received a one-time separation payment in the total gross amount of US\$125,000, being approximately 26 weeks of Mr. Pence's base salary, and the opportunity to elect to receive continuation coverage for medical and dental benefits under COBRA, upon which BSM Analytics will reimburse Mr. Pence for the full premium costs associated with said coverage, over a consecutive period of six months. Mr. Pence is also subject to certain non-solicitation and non-competition restrictive covenants. In exchange for these payments and benefits, Mr. Pence signed a release in favour of the Company.

Peter Callaghan

Mr. Callaghan ceased being the Chief Sales Officer of the Company on October 12, 2017. As part of Mr. Callaghan's severance, Mr. Callaghan received a salary continuance for a period of 12 months in the amount of \$200,000, certain continued medical benefits for the period up to October 12, 2018, and partial vesting of his outstanding RSUs. Mr. Callaghan is also subject to certain non-solicitation and non-competition restrictive covenants. In exchange for these payments and benefits, Mr. Callaghan has signed a release in favour of the Company.

Payment on Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs in the event of termination without cause, assuming that such termination was effective on September 30, 2017.

Name	Severance Period	Termination Payment	Pro Rated Bonus/Other	Option based Awards ⁽¹⁾	Share based Awards ⁽²⁾	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Aly Rahemtulla President and Chief Executive Officer	21	577,500	412,842	Nil	1,241,051	2,231,393
Louis De Jong Chief Financial Officer	12	275,000	77,377	Nil	846,984	1,199,361
Bryan Karp Vice-President – Operations, BSM Analytics	1.85	40,419	6,790	33,000	Nil	80,209
TOTALS	N/A	892,919	497,009	33,000	2,088,035	3,510,963

Notes:

- (1) The option-based awards are calculated assuming exercise of the Options and the closing price of the Common Shares on the TSX on September 30, 2017, of \$1.38, assuming a termination without cause (as defined in the applicable employment agreement) took place on that date.
- (2) The share-based awards are calculated by multiplying the number of RSUs by the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, assuming termination without cause took place on that date.

Change of Control

Rahemtulla

Pursuant to the Rahemtulla Employment Agreement, Mr. Rahemtulla may resign his employment at any time for Good Reason (as defined below) within 60 calendar days after the occurrence of Good Reason comes to, or ought to have come to, Mr. Rahemtulla's attention by giving written notice of resignation for Good Reason to the Company. In such a case, the effective date of the resignation for Good Reason shall be 60 days from the date such written notice is delivered, unless Mr. Rahemtulla and the Company mutually agree otherwise. Upon Mr. Rahemtulla's resignation for Good Reason, Mr. Rahemtulla is entitled to the compensation and benefits that Mr. Rahemtulla would have received had Mr. Rahemtulla been terminated without cause (as outlined under "Payment on Termination Without Cause" above). "**Good Reason**" means (i) the assignment to Mr. Rahemtulla of any duties materially inconsistent with his duties and responsibilities as CEO; (ii) a reduction in Mr. Rahemtulla's total cash compensation; (iii) a fundamental Change of Control (as defined below) of the ownership of the Company; and (iv) any other reason that Mr. Rahemtulla feels, in his sole discretion, is reasonable, including any fundamental change to Mr. Rahemtulla's employment, which would constitute constructive dismissal at common law.

For purposes of the Rahemtulla Employment Agreement, "**Change of Control**" means any of the following: (i) the date upon which a person or group holds shares and/or other securities which, directly or after conversion, exercise or exchange thereof, would entitle the holders thereof to cast 20% or more of the votes attached to the outstanding voting shares; or (ii) a majority of the board of directors of the amalgamated or merged entity or successor entity into which the Company was liquidated or which acquired substantially all of the assets of the Company is not comprised of individuals who were directors of the Company immediately before the event in (i) above; or (iii) the date upon which Shareholders have approved (a) an amalgamation or merger of the Company with any other corporation (other than a direct or indirect affiliate), (b) any other business combination or consolidation, (c) a plan for the liquidation of the Company, and (d) agreement for the sale or disposition of all or substantially all of the assets of the Company.

De Jong

Pursuant to the De Jong Employment Agreement, in the event of a Change of Control (as defined below), at Mr. De Jong's election, of which Mr. De Jong shall advise the Company by notice in writing within 30 days of the relevant Change of Control event, the De Jong Employment shall be deemed to have been terminated by the Company without cause, in which case Mr. De Jong shall be entitled to the compensation and benefits that Mr. Rahemtulla would have received had Mr. Rahemtulla been terminated without cause (as outlined under "Payment on Termination Without Cause" above). In addition, upon a Change of Control, all grants, rights to purchase securities of the Company pursuant to the Option Plan or the RSU Plan, which are then held by Mr. De Jong and which have not vested shall immediately vest and become exercisable immediately prior to such Change of Control, notwithstanding any plan language to the contrary.

For purposes of the De Jong Employment Agreement, "**Change of Control**" means any of the following:

- (a) Any person or group of persons (excluding Mr. De Jong or any person associated with Mr. De Jong or a non-arm's length party of Mr. De Jong) acting jointly or in concert, becomes the direct or indirect beneficial owner of 40% or more of the outstanding voting securities of the Company;
- (b) the completion of a merger, amalgamation, arrangement, business combination or similar transaction with a person or group of persons that is not associated or affiliated (within the meaning of the Ontario *Business Corporations Act*) with the Company that results in the voting securities outstanding immediately prior thereto failing to represent at least 50% of the voting securities or right to acquire voting securities of the successor entity immediately thereafter; or

(c) any sale, lease or transfer of all or substantially all of the Company's assets.

In order to receive the payments and benefits conferred upon a termination without cause, Mr. De Jong will be required to sign a release in favour of the Company in exchange for the payments and benefits set out above.

Karp

The Karp Employment Agreement does not include any change of control provisions.

Payment on Change of Control

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs on a change of control, assuming the applicable change of control occurred on September 30, 2017.

Name	Severance Period	Payment of Salary	Pro Rated Bonus/Other	Option based Awards ⁽¹⁾	Share based Awards ⁽²⁾	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Aly Rahemtulla President and Chief Executive Officer	21	577,500	412,841	Nil	1,241,051	2,231,393
Louis De Jong Chief Financial Officer	12	275,000	77,377	Nil	846,984	1,199,361
Bryan Karp Vice-President – Operations, BSM Analytics	Nil	Nil	Nil	Nil	Nil	Nil
TOTALS	N/A	852,500	490,219	Nil	2,088,035	3,430,754

Notes:

- (1) The option-based awards are calculated assuming exercise of the Options and the closing price of the Common Shares on the TSX on September 30, 2017, of \$1.38, assuming a change of control (as defined in the applicable employment agreement) took place on that date.
- (2) The share-based awards are calculated by multiplying the number of RSUs by the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, assuming termination without cause took place on that date.

Other Termination Payments

Rahemtulla

Pursuant to the Rahemtulla Employment Agreement, in the event of a termination for cause, the Company will pay to Mr. Rahemtulla or any person previously designated by Mr. Rahemtulla to the Company for such purposes, any remaining amounts payable to Mr. Rahemtulla up to the termination date, without advance notice of termination or pay in lieu of such notice, subject to entitlements of third persons under the terms of any will or the operation of the laws of descent and distribution, as applicable; and

De Jong

Pursuant to the De Jong Employment Agreement, in the event of:

- (i) a termination for cause, the Company will pay to Mr. De Jong all accrued base salary up to the termination date, any accrued but unused vacation pay and reimbursement for approved business expenses up to the termination date. Upon making these payments, the Company will have no further obligations under the De Jong Employment Agreement;
- (ii) Mr. De Jong's death, the Company will pay to Mr. De Jong all accrued base salary to date, accrued but unused vacation pay and reimbursement for approved business expenses. Upon making these payments, the Company will have no further obligations under the De Jong Employment Agreement; and
- (iii) Mr. De Jong becoming permanently incapacitated, the Company will provide to Mr. De Jong all accrued base salary to date of permanent incapacity, accrued but unused vacation pay, reimbursement for approved business expenses and the minimum severance pay (if any), benefits continuation and pay in lieu of notice required by the ESA, inclusive of a pro-rata performance bonus determined pursuant to the terms and conditions of the applicable bonus plan. Upon providing Mr. De Jong with these payments and benefits, the Company shall have no further obligations to Mr. De Jong.

Karp:

Pursuant to the Karp Employment Agreement, in the event that the Karp Employment Agreement is terminated for Cause (as defined below), Mr. Karp's right to receive any future compensation pursuant to the Karp Employment Agreement shall terminate, and the BSM Analytics' obligations to make such payments and provide such benefits shall cease. Mr. Karp will be entitled, however, to any unpaid compensation, benefits and expenses earned or accrued under the Karp Employment Agreement up to and including the effective date of termination.

For purposes of the Karp Employment Agreement, the term "Cause" shall mean: (i) Any act of gross or willful misconduct by Mr. Karp which has a material adverse effect upon the BSM Analytics and/or any of the affiliates or results in material damage to BSM Analytics and/or any affiliate's reputation; (ii) Mr. Karp's violation of the United States Foreign Corrupt Practices Act of 1977 or the Canadian Corruption of Foreign Public Officials Act; (iii) Mr. Karp's breach of any material term of the Karp Employment Agreement, which breach is not cured (if it is deemed capable of being cured by BSM Analytics, at its sole discretion) within 30 days of written notice of the breach by BSM Analytics to Mr. Karp; (iv) Mr. Karp's conviction of a felony which could reasonably be expected to have an adverse effect upon BSM Analytics and/or any affiliate or could reasonably be expected to damage BSM Analytics' and/or any affiliate's reputation; (v) Mr. Karp's embezzlement, fraud, intentional misappropriation of property of BSM Analytics and/or any affiliates, or any other act by Mr. Karp involving acts of dishonesty with respect to Mr. Karp and/or any affiliate; or (vi) Mr. Karp's failure to follow the lawful directives of BSM Analytics' management, which failure is not cured (if it is deemed capable of being cured by BSM Analytics, at its sole discretion) within 30 days of written notice of the failure by BSM Analytics to Mr. Karp.

DIRECTOR COMPENSATION

Compensation of Directors

The Company pays directors, who are not also officers or otherwise employed by the Company, for serving on the Board. In making recommendations to the Board relating to director compensation, the CGN Committee considers directors' compensation offered by similar companies, its directors' time commitments and the risks and responsibilities that the directors of the Company assume. The Board eliminated per meeting compensation and moved to a fixed annual cash compensation schedule and grant of DSUs pursuant to the terms of the DSU Plan.

Director Compensation Table

For the year ended September 30, 2017, the Company had seven directors, one of whom was also an NEO. For a description of the compensation paid to the NEO of the Company who also acts as a director of the Company, Mr. Rahemtulla, please see “*Compensation and Analysis*”. Mr. Rahemtulla did not receive any compensation for his role as a director of the Company. The following table is a summary of compensation paid to the directors of the Company, other than directors who are also NEOs, for the fiscal year ended September 30, 2017:

Name	Fees earned ⁽¹⁾	Share based awards ⁽²⁾	Option based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Andrew Gutman	81,000 ⁽³⁾	35,000	Nil	N/A	N/A	Nil	116,000
Frank Maw	43,500 ⁽⁴⁾	28,000	Nil	N/A	N/A	Nil	71,500
Leonard Metcalfe	3,500	52,500	Nil	N/A	N/A	Nil	56,000
David D. Sgro	33,000 ⁽⁴⁾	35,000	Nil	N/A	N/A	Nil	68,000
Gregory Monahan	25,000	35,000	Nil	N/A	N/A	Nil	60,000
Kelly Edmison	7,500	52,500	Nil	N/A	N/A	Nil	60,000

Notes:

- (1) Directors may elect to receive all or a portion of their Board remuneration in the form of DSUs. For Fiscal 2017, (i) Mr. Gutman elected to receive 0% of his annual Board retainer in the form of DSUs; (ii) Mr. Maw elected to receive 30% of his annual Board retainer in the form of DSUs; (iii) Mr. Metcalfe elected to receive 100% of his annual Board retainer in the form of DSUs; (iv) Mr. Sgro elected to receive 50% of his annual Board retainer in the form of DSUs; (v) Mr. Monahan elected to receive 50% of his annual Board retainer in the form of DSUs; and (vi) Mr. Edmison elected to receive 100% of his annual Board retainer in the form of DSUs.
- (2) The amounts reflected relate to DSUs granted or earned during Fiscal 2017. The fair value of DSUs is calculated based on the market value of the Common Shares at the time of issuance of DSUs. The share-based awards reflected in this column have been included in the applicable fiscal year on the following basis: (i) the date of award; or (ii) if granted in connection with services provided in an applicable fiscal year, the amount is allocated to that fiscal year notwithstanding the award date occurs in a subsequent fiscal year.
- (3) This includes compensation of \$30,000 for acting as Non-Executive Chairman of the Board.
- (4) This includes compensation for acting as Chair of a Committee of the Board. Specifically, Mr. Maw received \$15,500 as Chair of the CGN Committee and Mr. Sgro received \$15,500 as Chair of the Audit Committee.

Outstanding Option Based Awards

The following table is a summary of Option based awards granted to the directors of the Company, other than directors who are also NEOs, that were outstanding as at the fiscal year ended September 30, 2017:

Name	Option-based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾
	(#)	(\$)		(\$)
Andrew Gutman	106,800 BSM Replacement Options	0.64	05/12/2020	79,032
Frank Maw	75,000 Options	1.45	01/15/2018	Nil
Leonard Metcalfe	Nil	Nil	Nil	Nil
David D. Sgro	Nil	Nil	Nil	Nil
Gregory Monahan	Nil	Nil	Nil	Nil
Kelly Edmison	Nil	Nil	Nil	Nil

Note:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, and the Option or BSM Replacement Option, as applicable, exercise price by the number of outstanding Options or BSM Replacement Options, as applicable. Where the difference is negative, the Options or the BSM Replacement Options are not “in-the-money” and no value is ascribed. These Options or BSM Replacement Options may or may not ever be exercised. Whether Options or BSM Replacement Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the Options or BSM Replacement Options become “in-the-money”.

Outstanding Share-Based Awards

The following table is a summary of share-based awards granted to the directors of the Company, other than directors who are also NEOs, that were outstanding as at the fiscal year ended September 30, 2017:

Name	Share-based Awards		
	Number of shares or units of shares that have not vested	Expiration date ⁽¹⁾	Value of unvested share-based awards ⁽²⁾
	(#)		(\$)
Andrew Gutman	88,214 DSUs	N/A	121,735
Frank Maw	76,778 DSUs	N/A	105,954
Leonard Metcalfe	71,343 DSUs	N/A	98,453
David D. Sgro	54,929 DSUs	N/A	75,802
Gregory Monahan	54,929 DSUs	N/A	75,802
Kelly Edmison	63,547 DSUs	N/A	87,695

Notes:

- (1) DSUs do not vest until there is loss of directorship.
(2) Calculated by multiplying the closing price of the Common Shares on the TSX on September 30, 2017, which was \$1.38, and the number of DSUs.

Incentive Plan Awards – Value Vested or Earned During the Fiscal Year Ended September 30, 2017

The following table sets forth for each of the Company's directors, other than directors who are also NEOs, the value of Option and share-based awards which vested during the year ended September 30, 2017, and the value of non-equity incentive plan compensation earned during the year ended September 30, 2017:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Andrew Gutman	Nil	Nil	Nil
Frank Maw	Nil	Nil	Nil
Leonard Metcalfe	Nil	Nil	Nil
David D. Sgro	Nil	Nil	Nil
Gregory Monahan	Nil	Nil	Nil
Kelly Edmison	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options or the BSM Replacement Options by the number of Options or BSM Replacement Options, as applicable. These granted Options or BSM Replacement Options may or may not ever be exercised. Whether granted Options or BSM Replacement Options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options or BSM Replacement Options become "in-the-money".
- (2) DSUs do not vest until a loss of directorship.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Second Amended and Restated Stock Option Plan

The Board approved the adoption of the Option Plan on August 17, 2015 and Shareholders subsequently approved it on September 23, 2015. The purpose of the Option Plan is to provide incentives to attract, retain and motivate the Company's directors, officers, employees, and other eligible persons whose contributions are important to the future success of the Company. Under the Option Plan, Options may be granted to: (i) full-time employees or independent contractors of the Company or any of its subsidiaries working not less than 20 hours per week; (ii) consultants of the Company or any of its subsidiaries; or (iii) a director of the Company or any of its subsidiaries who is not a full-time or a part-time employee or independent contractor of the Company working not less than 20 hours per week.

The total number of Common Shares which may be reserved and available for issuance under the Option Plan (together with any other security-based compensation arrangements of the Company) may not exceed 10% of the issued and outstanding Common Shares from time to time; provided, however, that the number of Common Shares reserved and available for issuance pursuant to the Option Plan (together with any other security based compensation arrangements of the Company) shall not exceed 10,000,000 Common Shares. The exercise price of Options granted pursuant to the Option Plan is determined by the Board or the CGN committee at the time of grant and may not be less than the closing price of the Common Shares on the applicable stock exchange on the last trading day prior to the date of the grant of the Option (less any discount permitted by the TSX, if the Common Shares are listed on the TSX when the Option is granted). Where Options are granted to a 10% Holder (as defined in the Option Plan), the exercise price of the Options may not be less than 110% of the closing price of the Common Shares on the applicable stock exchange for the last trading day prior to the date of the grant of the Option.

As at February 9, 2018, 1,590,500 Options remain outstanding and unexercised, representing approximately 1.93% of the Company's currently outstanding Common Shares, and 1,761,598 Options are unallocated and available for future grants, representing approximately 2.14% of the Company's currently outstanding Common Shares.

In lieu of payment of the exercise price of an Option, a participant under the Option Plan may elect to effect a cashless exercise of an Option by surrender of the Option, in which event BSM will issue to the participant a number of Common Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

where:

- X= The Number of Common Shares to be issued to the participant
- Y= The number of vested unissued option shares (at the date of exercise)
- A= The Market Price (as defined in the Option Plan) of one Common Share (at the date of exercise)
- B= The Exercise Price (as defined in the Option Plan)

The number of Common Shares which may be issued under the Option Plan (together with any other security-based compensation arrangements of the Company) to any one person may not exceed 5% of the Common Shares issued and outstanding on a non-diluted basis from time to time. The number of Common Shares which may be: (i) issuable under the Option Plan to all insiders of the Company may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time; (ii) issued under the Option Plan to all insiders of the Company within a one-year period may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time; and (iii) issued under the Option Plan to any one insider within a one-year period may not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis from time to time (in each case, together with any other security-based compensation arrangements of the Company). The number of Common Shares which may be issued under the Option Plan to all Outside Directors may not exceed 1% of Common Shares outstanding on a non-diluted basis from time to time and the equity award value of any grant of Options to Outside Directors shall not exceed \$100,000 per year per Outside Director. The Option Plan provides that, subject to certain exceptions, Options granted to U.S. participants will generally be considered incentive stock options within the meaning of applicable U.S. legislation and will be entitled to preferential tax treatment. However, where certain conditions apply, Options granted to U.S. participants will be treated as non-qualified stock options.

Pursuant to the terms of the Option Plan, Options may be granted for a term not exceeding five years. Options are non-assignable and non-transferable, subject to limited exceptions as set out in the Option Plan. The Board has complete discretion to establish or modify vesting provisions for each Option granted.

In the circumstance where the end of the term of an Option falls within, or within 10 business days after the end of, a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), then the end of the term of such Option shall be the 10th business day after the earlier of the end of such black out period or, provided the blackout period has ended, the expiry date.

Under the terms of the Option Plan, upon termination of the participant, Options are only exercisable to the extent that such Options would have vested. Where a participant is terminated for any reason other than death or disability, Options may be exercised no later than 30 days after the termination date, and in the case of termination by reason of death or disability, no later than 12 months following the date of death or disability, by the legal representative(s) of the estate of the participant. The Company does not have a formal policy for providing financial assistance to participants to facilitate the purchase of securities under the Option Plan.

The Board may terminate or amend the Option Plan at any time without Shareholder approval to: (a) make formal minor or technical modifications; (b) to correct any defect, supply any omission, or reconcile any inconsistency; (c) to change the vesting provisions of an Option; (d) to change the termination provisions of an Option or the Option Plan which does not entail an extension beyond the original expiry date of an Option; (e) to add or modify a cashless exercise feature providing for the payment in cash or securities on the exercise of Options; and (f) to add or change provisions relating to any form of financial assistance provided by the Company; provided however, that no amendment may be made without the consent of an adversely affected participant and Shareholder approval must be obtained in accordance with the requirements of the TSX to: (i) increase the number of Common Shares issuable

under Options granted pursuant to the Option Plan; (ii) change the category of persons who qualify as eligible persons under the Option Plan; (iii) reduce the exercise price of an Option; (iv) cancel and re-issue an Option; (v) extend the term of an Option; (vi) make Options transferable or assignable other than by will or operation of law; (vii) a change to the insider participation limits set out in the Option Plan; (viii) change the level of Outside Director participation under the Option Plan; or (ix) a change to termination and amendment provisions of the Option Plan.

A copy of the Option Plan is attached hereto as Schedule "B" and can be found at under the Company's profile on SEDAR at www.sedar.com. The Company will provide a copy of the Option Plan free of charge to Shareholders upon request.

Restricted Share Unit Plan

On March 23, 2016, at the Company's annual general and special meeting of Shareholders, Shareholders approved amendments to the RSU Plan. The RSU Plan was established to motivate, attract and retain key officers, employees and consultants of the Company and to secure for the Company and the Shareholders the benefits inherent in the ownership of Common Shares by such participants, it being generally recognized that RSUs aid in attracting, retaining and encouraging employees due to the opportunity offered to them to acquire a proprietary interest in the Company. A summary of the material terms and conditions of the RSU Plan is provided below.

The RSU Plan is administered by the CGN Committee and the CGN Committee has the full authority to administer the RSU Plan including the authority to interpret and construe any provision of the RSU Plan and to adopt, amend and rescind such rules and regulations for administering the RSU Plan as the CGN Committee may deem necessary in order to comply with the requirements of the RSU Plan. All actions taken and all interpretations and determinations made by the CGN Committee in good faith are final and conclusive and are binding on the participants and the Company. All costs incurred in connection with the RSU Plan are for the account of the Company.

As at February 9, 2018, 2,678,842 RSUs remain outstanding and unexercised, representing approximately 3.25% of the Company's currently outstanding Common Shares, and 821,158 RSUs, are unallocated and available for future grants, representing approximately 1.00% of the Company's currently outstanding Common Shares. The Company's annual burn rate, calculated as described in Section 613(p) of the TSX Company Manual, under the RSU Plan was 1.66% in fiscal 2015, 1.15% in fiscal 2016 and 1.73% in fiscal 2017.

The aggregate maximum number of Common Shares available for issuance from treasury under the RSU Plan, subject to adjustment provisions contained therein, shall not exceed 3,500,000 Common Shares (representing 4.25% of the Common Shares outstanding as at February 9, 2018), or such greater number as may be approved from time to time by the Company's disinterested Shareholders. Any Common Shares underlying a RSU which has been granted under the RSU Plan and which has been cancelled, terminated or redeemed in accordance with the terms of the RSU Plan will be automatically available for grant of a new RSU under the RSU Plan.

Under no circumstances may the number of RSUs granted in aggregate, together with any other Security Based Compensation Arrangements (as such term is defined in the RSU Plan) of the Company exceed 10% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to any one individual, at any time, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 5% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to Insiders (as such term is defined in the RSU Plan), at any time, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to Insiders, within any one year period, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company is 10% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to Eligible Consultants (as such term is defined in the RSU Plan), within any one year period, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 2% of the total number of Common Shares then outstanding. The number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable RSU.

In the event that a dividend (other than a stock dividend) is declared and paid by the Company on Common Shares, subject to the absolute discretion of the CGN Committee, the CGN Committee may elect to credit each participant with additional RSUs. In such case, the number of additional RSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the RSUs in the participant's account had been Common Shares divided by the Market Value (as such term is defined in the RSU Plan) of a Common Share on the date on which dividends were paid by the Company. Any such additional RSUs awarded to a participant will vest on the participant's Entitlement Date (as such term is defined in the RSU Plan) in respect of the particular RSU award to which the additional RSUs relate.

A RSU award granted to a participant will entitle the participant, subject to the participant's satisfaction of any conditions, restrictions, vesting period or limitations imposed under the RSU Plan or set out in a RSU grant letter, to receive one previously unissued fully paid and non-assessable Common Share for each RSU on the date when the RSU award is fully vested. Except as otherwise provided in a RSU grant letter or any other provision of the RSU Plan, all RSUs granted pursuant to the RSU Plan shall vest on the third anniversary of the grant date.

Subject to the foregoing, in the event of:

- (a) the Retirement (as such term is defined in the RSU Plan) or Termination (as such term is defined in the RSU Plan) of a participant, all unvested RSUs credited to the participant shall immediately terminate and be of no further force or effect; provided, however, that the CGN Committee has the absolute discretion to modify the grant of the RSUs to provide that the unvested RSUs shall vest immediately prior to a participant's Termination or Retirement on such basis as the CGN Committee may determine in its absolute discretion.
- (b) the death of a participant, all unvested RSUs credited to the participant will vest on the date of death of such participant and the Common Shares underlying the RSUs credited to the participant's account shall be issued to the participant's estate as soon as reasonably practicable, but in any event no later than 90 days thereafter.
- (c) the disability of a participant (determined in accordance with the Company's normal disability practices), all unvested RSUs credited to the participant will vest within 60 days following the date on which the participant is determined to be totally disabled, and the Common Shares underlying such RSUs credited to the participant's account shall be issued to the participant as soon as reasonably practicable, but in any event no later than 30 days following receipt by the Company of notice of total disability.
- (d) (i) a Change of Control (as such term is defined in the RSU Plan); and (ii) within 12 months of such Change of Control, the Company terminates the employment of the participant for any reason other than just cause, then all unvested RSUs outstanding will immediately vest on the date of such Termination. In any event, upon a Change of Control, participants shall not be treated any more favourably than Shareholders with respect to the consideration that the participants would be entitled to receive for their Common Shares.

Unless otherwise determined by resolution of the CFN Committee, in the event that any RSUs vest during, or within 24 hours after a self-imposed blackout period on the trading of securities of the Company, such vesting will occur on the day immediately following the end of the blackout period, or such 24 hour period, as applicable.

No amount will be paid to, or in respect of, a participant under the RSU Plan or pursuant to any other arrangement, and no additional RSUs will be granted to a participant to compensate the participant for any downward fluctuations in the Market Value of a Common Share nor will any other form of benefit be conferred upon, or in respect of, a participant for such a purpose.

The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or its Affiliate are required by any law or regulation of any governmental authority whatsoever to withhold in connection with any issuance or delivery of Common Shares made under the RSU Plan. For greater certainty, immediately upon the issuance of any Common Shares in satisfaction of a RSU, the Company shall be entitled to sell on behalf and for the account of a participant a given number of Common Shares sufficient to cover any applicable withholding taxes and other amounts to be withheld by the Company in connection with the participant's vested RSUs.

The Board or the CGN Committee, as the case may be, may discontinue the RSU Plan at any time without first obtaining shareholder approval, provided that, without the consent of a participant, such discontinuance may not in any manner adversely affect the participant's rights under any RSU granted under the RSU Plan.

The Board or the CGN Committee may, subject to receipt of requisite regulatory and Shareholder approval, make the following amendments to the RSU Plan:

- (a) increase the number of RSUs which may be issued pursuant to the RSU Plan;
- (b) change the definition of "participant" under the RSU Plan which would have the potential of narrowing, broadening or increasing Insider participation;
- (c) amendments that may lead to significant or unreasonable dilution to the Company's outstanding securities, or that may provide additional benefits to participants at the expense of the Company or its Shareholders;
- (d) amendments to remove or to exceed the Insider participation limits in the Plan; or
- (e) amendments to the non-assignment section of the RSU Plan that would permit RSUs, or any other right or interest of a participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.

The Board or the CGN Committee may, subject to receipt of requisite regulatory approval (where required), but not subject to Shareholder approval, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature, including typographical, clerical and grammatical errors;
- (b) the addition or a change to the vesting provisions of a RSU or the RSU Plan;
- (c) a change to the termination provisions of a RSU or the RSU Plan;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the RSU granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant to whom a RSU has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

Except pursuant to a will or by the laws of descent and distribution, no RSU and no other right or interest of a participant is assignable or transferable.

A copy of the RSU Plan can be found under the Company's profile on SEDAR at www.sedar.com as filed on March 24, 2016. The Company will provide a copy of the RSU Plan, as amended, free of charge to Shareholders upon request.

Deferred Share Unit Plan

On March 23, 2016, at the Company's annual general and special meeting of Shareholders, Shareholders approved amendments to the DSU Plan. The DSU Plan was established to strengthen the alignment of interests between the Eligible Directors (as such term is defined in the DSU Plan) and the Shareholders by linking a portion of annual director compensation, as determined by the CGN Committee from time to time, to the future value of the Common Shares. A summary of the material terms and conditions of the DSU Plan is provided below.

As at February 9, 2018, 456,224 DSUs remain outstanding and unexercised, representing approximately 0.55% of the Company's currently outstanding Common Shares, and 543,776 DSUs are unallocated and available for future grants, representing approximately 0.66% of the Company's currently outstanding Common Shares. The Company's annual burn rate, calculated as described in Section 613(p) of the TSX Company Manual, under the DSU Plan was 0.33% in fiscal 2015, 0.24% in fiscal 2016 and 0.10% in fiscal 2017.

The DSU Plan is administered by the CGN Committee and the CGN Committee has full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as the CGN Committee may deem necessary in order to comply with the requirements of the DSU Plan. All costs incurred in connection with the DSU Plan shall be for the account of the Company.

The aggregate maximum number of Common Shares available for issuance from treasury under the DSU Plan, subject to adjustment provisions contained therein, shall not exceed 1,000,000 Common Shares (representing 1.22% of the Common Shares outstanding as at February 9, 2018), or such greater number as may be approved from time to time by the Shareholders. Any Common Shares underlying a DSU which has been granted under the DSU Plan and which has expired, been redeemed, cancelled or otherwise not redeemed in accordance with the terms of the DSU Plan will be automatically available for grant of a new DSU under the DSU Plan.

Under no circumstances may the number of DSUs granted in aggregate, together with any other Security Based Compensation Arrangements (as such term is defined in the DSU Plan) of the Company exceed 10% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to Insiders (as such term is defined in the DSU Plan), at any time, pursuant to the DSU Plan and any other Security Based Compensation Arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to Insiders, within any one year period, pursuant to the DSU Plan and any other Security Based Compensation Arrangements of the Company is 10% of the total number of Common Shares then outstanding. The number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable DSU.

The maximum number of Common Shares issuable to any one individual, at any time, pursuant to this Plan and any other Security Based Compensation Arrangements of the Company, is 5% of the total number of Common Shares then outstanding.

Subject to the terms of the DSU Plan and the compensation policies of the Board, Eligible Directors may file an Election Notice (as such term is defined in the DSU Plan) in respect of his or her Director's Remuneration (as such term is defined in the DSU Plan) payable for the following year or the Company may require the Eligible Director to receive a portion of his or her Director's Remuneration in the form of Deferred Share Units (the "**Entitlement**"). Notwithstanding the foregoing, subject to the terms of the DSU Plan, if an Eligible Director meets the Minimum

Director Share Ownership Requirement (as such term is defined in the DSU Plan) then in effect (or if there is no Minimum Director Share Ownership Requirement), an Eligible Director may elect to receive his or her Entitlement entirely in cash, or to receive any portion of his or her Entitlement in cash or DSUs at his or her discretion. If an Eligible Director has not met the Minimum Director Share Ownership Requirement, such Eligible Director must elect to receive at least 50% and up to 100% of the Entitlement in DSUs and, if an Eligible Director fails to make such election, he or she will be deemed to have elected to receive between 50-100% of his or her Entitlement in DSUs as determined by the GCN Committee in its discretion. Subject to the discretion of the CGN Committee, an Election Notice can be made only once annually and will apply for the full duration of the Eligible Director's current term in respect of which the Entitlement is payable or until a replacement Election Notice is made for a subsequent year. The DSU Grant Date (as such term is defined in the DSU Plan) in respect of an Eligible Director, at the discretion of the CGN Committee, shall be either: (i) the date on which the elected portion of the Eligible Director's Entitlement would otherwise be paid in cash, or (ii) the first business day following the public release of the Company's audited annual financial statements for the immediately preceding fiscal year. Notwithstanding any of the foregoing, the CGN Committee shall have the authority, subject to applicable securities laws, to make any special grant of DSUs to Eligible Directors, in such numbers, and at any time as the CGN Committee deems appropriate.

The DSU Plan will at all times remain unfunded and the obligations of the Company under the DSU Plan shall be general unsecured obligations of the Company.

In the event that a dividend (other than stock dividend) is declared and paid by the Company on Common Shares, subject to the absolute discretion of the CGN Committee, the CGN Committee may elect to credit each participant with additional DSUs. In such case, the number of additional DSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the DSUs in the participant's account had been Common Shares divided by the Market Value (as such term is defined in the DSU Plan) of a Common Share on the date on which such dividends were paid.

Where DSUs have been granted to a participant with reference to his or her Director's Remuneration for a year, in the event that the participant resigns or is otherwise no longer an Eligible Director during such year, only a *pro rata* portion of the DSUs granted for such year will vest and the participant will only be entitled to a DSU Payment (as such term is defined in the DSU Plan) in respect of such DSUs.

As soon as reasonably practicable following the Separation Date (as such term is defined in the DSU Plan) for each participant, the Company shall issue to such participant one previously unissued fully paid and non-assessable Common Share for each outstanding whole DSU held by such participant on such relevant Separation Date. Fractional DSUs shall be cancelled. In all events, such issuance of Common Shares will occur no later than December 31 of the year following the year of the participant's Separation Date.

Unless otherwise determined by resolution of the CGN Committee, in the event that a Separation Date occurs during or within 24 hours after a self-imposed blackout period on the trading of securities of the Company, such Separation Date will be deemed to occur on the day immediately following the end of the blackout period, or such 24 hour period, as applicable.

The DSU Plan will remain in effect until it is terminated by the Board, subject to the requirements of the stock exchange upon which the Common Shares are then listed.

The Company may take such steps as it considers necessary or appropriate for the withholding of any taxes which the Company is required to withhold by any law or regulation of any governmental authority whatsoever.

The CGN Committee may from time to time in the absolute discretion of the CGN Committee amend (without Shareholder approval), modify and change the provisions of the DSU Plan, provided that any amendment, modification or change to the provisions of the DSU Plan which would:

- (a) materially increase the benefits of the holder under the DSU Plan to the detriment of the Company and its Shareholders;
- (b) increase the number of Common Shares, other than by virtue of a dividend, which may be issued pursuant to the DSU Plan;
- (c) permit DSUs to be transferred other than for normal estate settlement purposes;
- (d) materially modify the requirements as to eligibility for participation in the DSU Plan;
- (e) remove or to exceed the Insider participation limits in the DSU Plan;

shall only be effective upon such amendment, modification or change being approved by the Shareholders, if required by the TSX or any other stock exchange on which the Common Shares are listed, or any other regulatory authorities having jurisdiction over the Company or its securities.

The Board or the CGN Committee may, subject to receipt of requisite regulatory approval (where required), but not subject to Shareholder approval, in its sole discretion make all other amendments to the DSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature, including typographical, clerical and grammatical errors;
- (b) a change to the termination provisions of a DSU or the DSU Plan;
- (c) amendments to reflect changes to applicable securities laws; and
- (d) amendments to ensure that the DSUs granted under the DSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant may from time to time be a resident, or otherwise subject to tax therein.

Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no DSU and no other right or interest of a participant is assignable or transferable, and any such assignment or transfer in violation of the DSU Plan shall be null and void.

A copy of the DSU Plan can be found under the Company's profile on SEDAR at www.sedar.com as filed on March 24, 2016. The Company will provide a copy of the DSU Plan, as amended, free of charge to Shareholders upon request.

Equity Compensation Plan Information

The following table is a summary of compensation plans under which equity securities of the Company are authorized for issuance as of the end of the fiscal year ended September 30, 2017:

Plan Category	Number of securities to be issued upon exercise or vesting of outstanding Options, BSM Replacement Options, RSU and DSUs(a) ⁽¹⁾	Weighted average exercise price of outstanding Options and BSM Replacement Options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a) ⁽²⁾
	(#)	(\$)	(#)
Equity compensation plans approved by security holders	5,793,588	1.36	2,426,340
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	5,793,588	1.36	2,426,340

Notes:

- (1) Represents the number of Common Shares available for issuance upon: (i) exercise of outstanding Options which have been granted under the Option Plan as at September 30, 2017, (ii) exercise of outstanding BSM Replacement Options which have been granted in connection with the Webtech Acquisition as at September 30, 2017; (iii) vesting of outstanding RSUs which have been granted under the RSU Plan as at September 30, 2017; (iv) vesting of outstanding DSUs which have been granted under the DSU Plan as at September 30, 2017. As at September 30, 2017, the Company had the following securities outstanding under its equity incentive plans: (i) 2,125,500 Options, (ii) 582,695 BSM Replacement Options, (iii) 2,675,653 RSUs, and (iv) 409,740 DSUs.
- (2) Represents the maximum number of additional Common Shares issuable under (i) the Option Plan; (ii) BSM Replacement Options; (iii) the RSU Plan, and (iv) the DSU Plan. The aggregate number of Common Shares that may be reserved under the Option Plan, the BSM Replacement Options, the RSU Plan and the DSU Plan, collectively, shall not exceed 10% of the Company's issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recent completed fiscal year of the Company was, a director or officer of the Company, a proposed nominee for election as a director of the Company, or any associate of any one of the foregoing persons is, or at any time since the beginning of the most recent completed fiscal year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which constitute routine indebtedness) or was indebted to another entity, where such indebtedness is, or was at any time during the most recent completed fiscal year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries. For the purposes of this paragraph, "support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, after reasonable inquiry, other than as disclosed herein, no "informed persons" of the Company (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), nor any Nominee, nor any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the issued Common Shares, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction which has materially affected the Company or would materially affect the Company, or any of its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company and its subsidiaries are performed to any substantial degree by persons other than the directors and executive officers of the Company or its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices ("NI 58-101")* and National Policy 58-201 *Corporate Governance Guidelines ("NP 58-201")*. NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI 58-101, the Company is required to provide disclosure in this Circular of its corporate governance practices in accordance with Form 58-101F1, which disclosure is set out below.

Board of Directors

The Board is of the view that maintaining effective corporate governance practices is an important factor which contributes to the general success of the Company. The Company has reviewed its own corporate governance practices in light of the NI 58-101 guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been uniformly adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses.

Composition of the Board

As of the date this Circular, the Board is composed of seven directors, a majority of whom are independent based upon the criteria set forth in NI 58-101. Messrs. Maw, Metcalfe, Sgro, Monahan and Edmison are independent directors. Mr. Rahemtulla is not an independent director as he is the President and Chief Executive Officer of the Company. Pursuant to Section 1.2 of NI 58-101, Mr. Gutman is deemed to have a material relationship with the Company by virtue of his role as Chief Executive Officer of Webtech prior to the Webtech Acquisition.

Mr. Gutman is the Non-Executive Chairman of the Board and is a member of both the Audit Committee and the CGN Committee. The Board determined that, in its reasonable judgment, notwithstanding Mr. Gutman being deemed to be a non-independent director by virtue of NI 58-101, Mr. Gutman is able to exercise the impartial judgment necessary to fulfill his responsibilities as the Non-Executive Chairman of the Board and as a member of both the Audit Committee and the CGN Committee and his appointment as the Non-Executive Chairman of the Board and to the Audit Committee and the CGN Committee are in the best interests of the Company. Mr. Gutman will no longer be deemed to have a material relationship with the Company as of September 30, 2018.

The independent directors did not hold any regularly scheduled meetings during the fiscal year ended September 30, 2017, at which non-independent directors and members of management were not in attendance. To facilitate open and candid discussion among the independent directors, at Board meetings, as applicable, non-independent directors have been asked to leave the meeting. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question. It is anticipated that independent directors' meetings will be held as deemed appropriate during the current fiscal year.

Meetings of the Board

The Board held 13 meetings during the fiscal year ended September 30, 2017. The members of the Board and their attendance are set forth below:

Board of Directors		
Name of Director	Independent⁽¹⁾	Meeting Attendance
Andrew Gutman ⁽²⁾	No	13/13
Aly Rahemtulla	No	13/13
Frank Maw ⁽³⁾	Yes	12/13
Leonard Metcalfe	Yes	12/13
David D. Sgro ⁽⁴⁾	Yes	13/13
Gregory Monahan	Yes	13/13
Kelly Edmison	Yes	13/13

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect or “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. Mr. Rahemtulla is not independent by virtue of his position as President and CEO of the Company. Mr. Gutman is not independent by virtue of having formerly been the CEO of Webtech (up to September 30, 2015), which became a subsidiary of the Company after the completion of the Webtech Acquisition.
- (2) Non-Executive Chairman of the Board.
- (3) Mr. Maw is the Chair of the CGN Committee.
- (4) Mr. Sgro is the Chair of the Audit Committee.

Other Directorships

The following table summarizes current directorships of other reporting issuers for the current directors of the Company:

Director	Name of Reporting Issuer and Exchange
Andrew Gutman	Cortex Business Solutions Inc. (TSX-V: CBX)
Aly Rahemtulla	N/A
Frank Maw	N/A
Leonard Metcalfe	N/A
David D. Sgro	Hill International Inc. (NYSE: HIL) Imvescor Restaurant Group Inc. (TSX: IRG) Pangaea Logistics Solutions Ltd. (NASDAQ: PANL)
Gregory Monahan	Absolute Software Corporation (TSX: ABT) Cott Corporation (TSX: BCB) (NYSE: COT)
Kelly Edmison	Pender Growth Fund Inc. (TSXV: PTF)

Minimum Share Ownership Guidelines for Directors

On April 7, 2014, the Board adopted a policy regarding the minimum share ownership for directors (the “**Director Share Ownership Guidelines**”), which was amended on December 15, 2016 and February 8, 2018. Pursuant to the Director Share Ownership Guidelines, each director is required to own Common Shares which have a market value equal to three times the director’s annual compensation (the “**Minimum Shareholding Requirement**”). Directors are required to meet the Minimum Shareholding Requirement within three years from the date a director is appointed to the Board. Thereafter, a director must maintain the Minimum Shareholding Requirement while they are a member of the Board.

When calculating the number of Common Shares owned for purposes of determining a director’s compliance with the Minimum Shareholding Requirement, the following may be used: (i) Common Shares owned or controlled, directly or indirectly (including, but not limited to, through open market purchases or acquired and held upon vesting of equity awards) by a director; (ii) Common Shares owned jointly or separately by a director’s spouse and/or children residing in the same household; (iii) Common Shares held in trust for the benefit of a director or the director’s spouse and/or children; (iv) Deferred Share Units held pursuant to the DSU Plan, as amended from time to time. For greater certainty, unvested Options (whether vested or not vested) do not count towards the Minimum Shareholding Requirement.

If a director meets the Minimum Shareholding Requirement, the director may elect to receive 0% to 100% of their annual compensation in DSUs for the upcoming fiscal year. If a director does not meet the Minimum Shareholding Requirement prior to the stipulated deadline, the director must elect to receive 50% to 100% of their annual compensation for the upcoming fiscal year in DSUs. In addition, in the event a director does not meet the Minimum Shareholding Requirement prior to the stipulated deadline or thereafter, the CGN Committee may exercise its

discretion to declare a director ineligible to receive equity grants under any of the Company's equity compensation plans.

Board Mandate

The Board has adopted a written board mandate pursuant to which the Board assumes responsibility for the stewardship of the Company. The Board mandate is attached hereto as Schedule "A". The Board's primary responsibility is to develop and adopt the strategic direction of the Company and to, at least annually, review and approve a strategic plan as developed and proposed by management, which takes into account the business opportunities and risks of the Company. The Board is responsible for reviewing and approving the Company's financial objectives, plans and actions, including significant capital allocations and expenditures. The Board is also responsible for, among other things: (i) monitoring corporate performance against the strategic and business plans; (ii) identifying principal business risks and implementing appropriate systems to manage such risks; (iii) monitoring and ensuring internal control and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and management's discussion and analysis; (vi) reviewing compensation of the members of the Board; (vii) reviewing and approving material transactions and annual budgets; (viii) developing the Company's approach to corporate governance; and (ix) assessing its own effectiveness in fulfilling its mandate.

Position Descriptions

The Board has developed written position descriptions for the Chair of the Board, the President and Chief Executive Officer, the Chair of the Audit Committee and the Chair of the CGN Committee. In addition, the Audit Committee and the CGN Committee each have a written charter.

Board Orientation, Continuing Education

While the Board does not have a formal orientation and training program for new member of the Board, new Board members are provided with:

- (i) information respecting the functioning of the Board and its committees;
- (ii) information respecting the nature and operation of the business of the Company;
- (iii) access to recent, publicly-filed documents of the Company and the Company's internal financial information;
- (iv) access to management, including the C-Level Officers and consultants; and
- (v) a summary of significant corporate and securities responsibilities.

New directors of the Company are provided with insight from other Board members and management regarding the contribution which they are expected to make to the Board in terms of both time and resource commitments. Board members are also encouraged to communicate with management, auditors, and consultants to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Company's operations, to ensure that each member of the Board maintains the skills and knowledge necessary to meet their obligations as directors. Members of the Board have full access to the Company's records.

The Board educates itself through the annual budget review process and through the detailed reviews of operational and strategic issues during Board meetings. In addition, the CGN Committee is also responsible for providing continuing education opportunities to existing directors to ensure that each member maintains the skills and knowledge necessary to meet their obligations as directors. The Board expects to select any new directors from persons who have the requisite knowledge and experience to ensure that the lack of formal policy will not detract from the performance of the Board.

Board and Committee Assessments

The Board and its committees are regularly assessed with respect to their effectiveness and contribution. For Fiscal 2017, the Board utilized questionnaires for directors to complete in order to assess the effectiveness of the Board, the committees and the Chair of applicable committees. The CGN Committee and the Corporate Secretary compile the results of such questionnaires and provide a report to the Board for discussion and review. The purpose of this annual review process is to assist the Board in assessing:

- Board structure, composition, diversity, experience, mandate, roles and responsibilities and effectiveness;
- Committee meetings, composition, mandate, committee operations and effectiveness; and
- Director attendance, preparedness, contribution and participation, knowledge of the business and
- required skills and expertise.

In addition to the questionnaire, the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively by conducting informal assessments from time to time.

Ethical Business Conduct

The Company has not adopted a written code of conduct and ethics. However, all directors of the Company have an obligation to perform their duties and assume their responsibilities in the best interests of the Company. The Company expects all of its directors to comply with the laws and regulations governing its conduct, and further, is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities. The Board views good corporate governance as an integral component to the success of the Company and to meet its responsibilities to Shareholders. In addition, the Company has established a whistleblower policy which outlines the procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters as well as other issues.

Under the OBCA, to which the Company is subject, a director or officer of the Company must disclose to the Company, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Company, if the director or officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Subject to limited exceptions set out in the OBCA, the director cannot vote on any resolution to approve the contract or transaction and must recuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

Nomination of Directors

In collaboration with the CGN Committee, the full Board has the responsibility for identifying potential Board candidates. The Board monitors and assesses the mix of skills and competencies required in order for the Board to fulfil its role effectively. In addition, the Board discusses with each director his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner.

Compensation of Directors and Officers

The Board has established the CGN Committee which assists in determining compensation matters for the Company. The CGN Committee is set up to ensure that compensation is competitive within the industry and aligns the interests of such individuals with those of the Company.

Please see *“Executive Compensation – Compensation Discussion and Analysis”* for additional details with respect to the compensation provided to directors and officers of the Company.

Board Committees

The Board has two committees: (i) the Audit Committee; and (ii) the CGN Committee. In addition, the Board may establish other committees from time to time to assist the Board in connection with specific matters. The Board oversees the operations of the committees, the appointment of their respective members, their compensation and their conduct. The Board has no intention at this time to establish other standing committees.

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted a formal policy with respect to director term limits or other mechanisms to force Board renewal. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company periodically monitors director performance through formal and informal annual assessments, analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Directors who have served on the Board for an extended period of time are in a unique position to provide valuable insight into the operations and future of the Company based on their experience with a perspective on the Company's history, performance and objectives. The Board believes it is important to have a balance between directors who have a long history and organizational understanding of the Company's business with directors who bring new perspectives and ideas to the Board.

Representation of Women on the Board and Senior Management

The Company does not have a written policy on the representation of women on the Board. The Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, selection is made based on merit, skills, qualifications, experience, background, needs of the Company at the time, etc. However, the Board has historically and continues to recognize the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis. The Company's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate.

During Fiscal 2017, 0% of the Company's directors and 0% of the Company's executive officers were women. The Company has not set a targeted number or percentage of female representation on its Board or for executive officer positions; however, the Board is mindful of the benefit of diversity in the Company's leadership positions and the need to maximize the effectiveness of the Board and management in their decision-making abilities. Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process. The Company will continue to monitor developments in the area of diversity while reviewing its own practices in order to adopt a policy that is meaningful for the Company.

Audit Committee Information

The Audit Committee is responsible for, among other things, monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited consolidated financial statements, unaudited interim consolidated

financial statements and management’s discussion and analysis of financial results of operations for both annual and interim consolidated financial statements and review of related operations prior to their approval by the Board.

Further information regarding the Audit Committee is contained in the Company’s current annual information form dated December 13, 2017 (the “AIF”), under the heading “*Audit Committee*”. A copy of the Audit Committee charter is attached to the AIF as Schedule “A” therein. The AIF is available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.bsmtechnologies.com.

Compensation, Governance & Nominating Committee

The CGN Committee held four meetings in the fiscal year ended September 30, 2017. The members of the CGN Committee and their attendance are set forth below:

Compensation, Governance and Nominating Committee		
Name of Director	Independent⁽¹⁾	Meeting Attendance
Frank Maw ⁽²⁾	Yes	4/4
Andrew Gutman	No	4/4
Leonard Metcalfe	Yes	4/4
Gregory Monahan	Yes	4/4
Kelly Edmison	Yes	2/4

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. Mr. Gutman is not independent by virtue of having formerly been the CEO of Webtech (up to September 30, 2015), which became a subsidiary of the Company after the completion of the Webtech Acquisition.
- (2) Chair of the CGN Committee.

Relevant Education and Experience

For a general description of the CGN Committee member’s relevant education and experience, please see “*Business of Meeting – Election of Directors*”.

Responsibilities of the CGN Committee

The CGN Committee is appointed by the Board. Some of the main responsibilities of the CGN Committee include:

- making recommendations to the Board in regards to the compensation of the Company’s directors and executive officers;
- reviewing all executive compensation policies and making recommendations to the Board, where appropriate, in relation to such policies;
- overseeing of the Company’s activities related to corporate governance, legal and regulatory compliance, Board composition, Board nominations and Board conduct and training;
- reviewing policies relating to corporate governance matters generally;
- reviewing and assessing the effectiveness of the Board and individual directors;
- establishing and maintaining position descriptions for the Chairman of the Board and the Chair of each of the Board’s committees;
- assisting the Board in identifying candidates for nomination as directors of the Company and recommending nominees to the Board;

- engaging and, as necessary, directing independent compensation consultants, independent counsel and other advisors as it determines necessary to carry out its duties; and
- reviewing the Board's relationship with the Company's management to ensure the Board is able to act independently of management.

GENERAL

Except where otherwise indicated, information contained herein is given as of the 9th day of February, 2018.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information concerning the Company's most recently completed fiscal year is provided in the comparative financial statements for the years ended September 30, 2017, and September 30, 2016, and the related MD&A. Inquiries including requests for copies of the Company's financial statements and the related MD&A for the fiscal year ended September 30, 2017, may be directed to the Corporate Secretary of the Company at 75 International Blvd., Suite 100, Toronto, ON M9W 6L9.

APPROVAL

The contents of this Circular and the sending thereof to Shareholders, directors and the auditors of the Company, have been approved by the Board.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Aly Rahemtulla

Aly Rahemtulla

President and Chief Executive Officer

SCHEDULE "A"

BOARD MANDATE

The term "**Corporation**" herein shall refer to BSM Technologies Inc. and the term "**Board**" shall refer to the Board of Directors of the Corporation.

1. PURPOSE

The Board assumes responsibility for the stewardship of the Corporation.

Although directors may be nominated by certain persons to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

2. RESPONSIBILITIES

As an integral part of that stewardship responsibility, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- (a) The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board contributes to the development of strategic direction by approving, at least annually, a strategic plan developed and proposed by management. The plan will take into account the business opportunities and business risks of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.
- (b) The Board monitors corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- (c) The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.
- (d) The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and its financial reporting procedures of the Corporation.
- (e) The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a corporate code of ethics for all employees and senior management, and monitoring compliance with such code, if appropriate.
- (f) The Board is responsible for the review and approval of annual financial statements, management's discussion and analysis related to such financial statements, and forecasts, if any.
- (g) The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.
- (h) The Board reviews and approves material transactions not in the ordinary course of business.

- (i) The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.
- (j) The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
- (k) The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director and shall make an affirmative determination that such relationships do not preclude a determination that the director is independent.
- (l) The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.
- (m) The Board is responsible for satisfying itself as to the integrity of the President and Chief Executive Officer (the “CEO”) and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives, which the CEO is responsible for meeting.
- (n) The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- (o) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

3. SIZE OF BOARD AND SELECTION PROCESS

- (a) The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine a slate of nominees to be put to the shareholders for election based upon the following considerations and such other factors the Board considers relevant:
 - (i) the competencies and skills which the Board as a whole should possess;
 - (ii) the competencies and skills which each existing director possesses; and
 - (iii) the appropriate size of the Board to facilitate effective decision-making.
- (b) Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements of the *Business Corporations Act* (Ontario) (“OBCA”) and the Corporation's by-laws or at the annual meeting in compliance with the requirements of the OBCA and the Corporation's by-laws.
- (c) The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation's by-laws.
- (d) Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the OBCA.
- (e) Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.
- (f) *Director orientation and continuing education* – The Board, together with the Compensation, Governance & Nominating Committee (the “CGN Committee”) is responsible for providing a comprehensive orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant:

- (i) the role of the Board and its committees;
- (ii) the nature and operation of the business of the Corporation; and
- (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board together with the CGN Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current, at the request of any individual director.

- (g) *Meetings* – The Board has at least four scheduled meetings a year. The Board is responsible for its agenda and may, if applicable, collaborate with senior management, including, but not limited to, the CEO. Prior to each Board meeting, a Board member, or the Corporate Secretary on behalf of the Board, shall circulate an agenda to the Board. Materials for each meeting will be distributed to directors in advance of the meetings. Directors are expected to make reasonable efforts to attend all meetings of the Board held in a given year, and are expected to make reasonable efforts to adequately review meeting materials in advance of all such meetings.
- (h) The independent directors or non-management directors shall meet at the end of each Board meeting without management and non-independent directors present. The Chairman of the Board shall chair these meetings, unless the Chairman of the Board is not an independent director, in which case the Lead Director shall chair these meetings. If a Lead Director has not been appointed, or is not independent, the independent directors shall appoint a chairman to chair these meetings. The independent directors shall appoint a person to maintain minutes of the meetings or, if no person is so appointed, the chair of the meeting shall maintain minutes of the meeting.
- (i) *Committees* – The Board has established the following standing committees to assist the Board in discharging its responsibilities: (i) the Audit Committee; and (ii) the CGN Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation's annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.
- (j) *Evaluation* – The CGN Committee performs an annual evaluation of the effectiveness of the Board as a whole and the committees of the Board.
- (k) *Compensation* – The CGN Committee recommends to the Board the compensation and benefits for non-management directors. The CGN Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation.
- (l) *Nomination* – The Board, the CGN Committee and the individual directors from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:
 - (i) the competencies and skills necessary for the Board as a whole to possess;
 - (ii) the competencies and skills necessary for each individual director to possess;
 - (iii) competencies and skills which each new nominee to the Board is expected to bring; and

- (iv) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.
- (m) *Access to independent advisors* – The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the CGN Committee, retain an outside advisor at the expense of the Corporation.

4. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The Chairman of the Board shall be a director who is designated by the full Board to act as the leader of the Board.
- (b) The Chairman will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.
- (c) The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

5. RESPONSIBILITIES OF THE CHAIRMAN

The following are the responsibilities of the Chairman. The Chairman may, where appropriate, delegate to or share with the CGN Committee and/or any other independent committee of the Board, certain of these responsibilities:

- (a) Chair all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Provide leadership to the Board to enhance the Board's effectiveness, including:
 - (i) ensure that the responsibilities of the Board are well understood by both management and the Board;
 - (ii) ensure that the Board works as a cohesive team with open communication;
 - (iii) ensure that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
 - (iv) together with the CGN Committee, ensure that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
 - (v) together with the CGN Committee, ensure that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.
- (c) Manage the Board, including:
 - (i)
 - (ii) prepare the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (iii) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (iv) ensure meetings are appropriate in terms of frequency, length and content;
 - (v) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;

- (vi) ensure that a succession planning process is in place to appoint senior members of management and directors when necessary;
 - (vii) ensure procedures are established to identify, assess and recommend new nominees for appointment to the Board and its committees; and
 - (viii) together with any special committee appointed for such purpose, approach potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees.
- (d) If the Chairman is an independent director, the Chairman will:
- (i) in conjunction with the Chair of the CGN Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
 - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
 - (iii) recommend, where necessary, the holding of special meetings of the Board;
 - (iv) review with the CEO items of importance for consideration by Board;
 - (v) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
 - (vi) ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the CEO and the Corporate Secretary, formulate an agenda for each Board meeting;
 - (vii) together with the Chair of the CGN Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
 - (viii) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
 - (ix) together with the Chair of the CGN Committee, facilitate the process of conducting director evaluations; and
 - (x) promote best practices and high standards of corporate governance.
- (e) Act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with CGN Committee to ensure that the Corporation is building a healthy governance culture.
- (f) At the request of the Board, represent the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

6. LEAD DIRECTOR

- (a) The Board will appoint a Lead Director in circumstances in which the Chairman of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- (b) The Board may in its sole discretion, when the Chair is independent, from time to time, designate a Lead Director who is not independent to assist the Board in its functioning.
- (c) The CGN Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.
- (d) The Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from the office by the Board.
- (e) The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Corporate Governance & Nominating Committee, the Lead Director will be responsible for the corporate governance practices of the Corporation.
- (f) The Lead Director will:
 - (i) in conjunction with the Chair of the CGN Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
 - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
 - (iii) in the absence of the Chairman, act as chair of meetings of the Board;
 - (iv) recommend, where necessary, the holding of special meetings of the Board;
 - (v) review with the Chairman and the CEO items of importance for consideration by Board;
 - (vi) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
 - (vii) together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chairman, the CEO and the Corporate Secretary, formulate an agenda for each Board meeting;
 - (viii) together with the Chairman and the Chair of the CGN Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
 - (ix) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
 - (x) facilitate the process of conducting director evaluations;
 - (xi) promote best practices and high standards of corporate governance; and

- (xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

7. ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS

The accountabilities set out below are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities. Principal accountabilities include:

- (a) assuming a stewardship role, overseeing the management of the business and affairs of the Corporation;
- (b) maintaining a clear understanding of the Corporation, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;
- (c) preparing for each Board and applicable Committee meeting by reviewing materials that have been provided in a timely manner and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight;
- (d) absent a compelling reason, attending every meeting of the Board and each Committee of which such Director is a member, and actively participating in deliberations and decisions. When attendance is not possible a Director should become familiar with the matters to be covered at the meeting;
- (e) voting on all decisions of the Board or any Committees of which such Director is a member, except when a conflict of interest may exist;
- (f) preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Corporation and disclosing details of such conflicting interests should they arise; and
- (g) acting in the highest ethical manner and with integrity in all professional dealings.

8. MANDATE REVIEW

The Board will annually review and reassess the adequacy of this Mandate for the Board.

As of December 13, 2017.

SCHEDULE "B"

SECOND AMENDED AND RESTATED STOCK OPTION PLAN

See attached.

BSM TECHNOLOGIES INC.

SECOND AMENDED AND RESTATED STOCK OPTION PLAN

(amended and restated on September 23, 2015, and amended March 22, 2018)

Purpose. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, by offering them an opportunity to participate in the Company's future performance through awards of Options.

ARTICLE I INTERPRETATION

1.1 Definitions and Interpretation. As used in this Plan, the following words and terms will have the following meanings:

- (a) **"Board"** means the board of directors of the Company;
- (b) **"Code"** means the United States Internal Revenue Code of 1986, as amended;
- (c) **"Committee"** means the committee appointed by the Board to administer this Plan, or if no committee is appointed, the Board;
- (d) **"Company"** means BSM Technologies Inc. or any successor corporation;
- (e) **"Disability"** means the mental or physical state of an individual such that:
 - (i) the Board, other than such individual, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive six month period or for any period of eight months (whether or not consecutive) in any consecutive 12 month period;
 - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs; or
 - (iii) in connection with a Participant holding an Incentive Stock Option, a condition in which the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted, or can be expected to last, for a continuous period of not less than 12 months;
- (f) **"Effective Date"** means March 22, 2018;
- (g) **"Eligible Person"** means any person providing continuous services to the Company and who is:

- (i) a full-time employee or independent contractor of the Company or any of its subsidiaries or a part-time employee or independent contractor of the Company or any of its subsidiaries working not less than 20 hours per week; or
 - (ii) a consultant to the Company or any of its subsidiaries in respect of whom the Company is permitted to grant Options under applicable law and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or the issuance of the Options; or
 - (iii) an Outside Director of the Company or any of its subsidiaries;
- (h) “**Exercise Price**” means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option;
- (i) “**Expiry Date**” means the expiry date of an Option as determined by the Committee in accordance with the terms and conditions of this Plan, subject to the time limits and any “black out” or similar periods as provided in section 2.3(f) to this Plan;
- (j) “**Incentive Stock Option**” means an Option intended to qualify under section 422 of the Code;
- (k) “**Market Price**” means, as of any date, the value of the Shares, determined as follows:
- (i) if the Shares are listed on The Toronto Stock Exchange, the Market Price shall be the closing price of the Shares on The Toronto Stock Exchange for the last market trading day prior to the date of the grant of the Option;
 - (ii) if the Shares are listed on an exchange other than The Toronto Stock Exchange, the Market Price shall be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the Option; and
 - (iii) if the Shares are not listed on an exchange, the Market Price shall be determined in good faith by the Committee;
- (l) “**Non Qualified Stock Option**” means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Stock Option Certificate, as defined herein;
- (m) “**Option**” means an award of an option to purchase Shares hereunder, including an Incentive Stock Option;
- (n) “**Outside Director**” means every director of the Company who is not a full-time employee or independent contractor of the Company or a part-time employee or independent contractor of the Company working not less than 20 hours per week for the Company;
- (o) “**Participant**” means every Eligible Person who is approved for participation in the Plan by the Committee and includes a U.S. Participant;
- (p) “**Plan**” means this Second Amended and Restated Stock Option Plan, as may be amended from time to time;

- (q) “**Shares**” means the Common Shares in the capital of the Company and includes any shares of the Company into which such Common Shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed;
- (r) “**10% Holder**” means any U.S. Participant who has (i) direct or beneficial ownership of, (ii) control or direction over, or (iii) a combination of direct or indirect beneficial ownership of and control or direction over securities of the Company carrying more than 10% of the voting rights attached to all the Company’s outstanding voting securities;
- (s) “**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to be an Eligible Person. Notwithstanding the foregoing, an employee will not be deemed to have ceased to be an Eligible Person in the case of:
 - (i) sick leave; or
 - (ii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing;
- (t) “**Termination Date**” means the date on which a Participant is Terminated, which date shall be in the sole discretion of the Committee. Subject to the discretion of the Committee, in the case of a notice of termination provided by the Company, such date shall be the date of termination set out in the notice regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant, unless otherwise required by applicable statute, and, for all purposes of the Plan, a Participant’s employment shall conclusively be deemed to have been terminated on the date of termination set forth in the notice of termination (and for greater certainty shall not include any notice period required by common law);
- (u) “**U.S. Participant**” means a participant who is a United States citizen or resident within the meaning of the Code; and
- (v) “**Vested Unissued Option Shares**” means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of a vested Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 2.2, such adjustments to be cumulative.

ARTICLE II THE PLAN/GRANT OF OPTIONS

2.1 **Number of Shares Available.** Subject to section 2.2 and Article 5,

- (a) the total number of Shares reserved and available for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) shall not exceed 10% of the issued and outstanding Shares of the Company from time to time; provided, however, that the number of shares reserved and available

for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) shall not exceed 10,000,000 Shares;

- (b) the number of Shares reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to any one person shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time;
- (c) the number of Shares issuable pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to all insiders shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;
- (d) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to all insiders within a one-year period shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time;
- (e) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to any one insider and such insider's associates within a one-year period shall not exceed 5% of the Shares outstanding on a non-diluted basis from time to time; and
- (f) the number of Shares which may be issued pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) to all Outside Directors shall not exceed 1% of the Shares outstanding on a non-diluted basis from time to time and the equity award value of any grant of Options to Outside Directors shall not exceed \$100,000 per year per Outside Director.

Subject to section 2.2 and Article 5, any unissued Shares in respect of which Options are granted which cease to be issuable under such Option for any reason, including without limitation the exercise of such Option, the expiry of the Option or surrender of the Option pursuant to an option exchange program, will again be available for grant and issuance in connection with future Options granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding Options granted under this Plan.

2.2 Adjustment of Shares. In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

- (a) the number of Shares reserved for issuance under the Plan; and
- (b) the number of Shares subject to outstanding Options; and
- (c) the Exercise Prices of outstanding Options;

will be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and in compliance with applicable securities laws; provided, however, that fractions of a Share will not be issuable under any Options and will be rounded down to the nearest Share.

2.3 Options. The Committee may grant Options to Eligible Persons and will determine the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised and all other terms and conditions of the Option, subject to the following:

- (a) **Form of Option Grant.** Each Option granted under this Plan will be evidenced by a stock option certificate in the form attached to this Plan as Exhibit "A" in the case of grants to Participants or Exhibit "B" in the case of grants to U.S. Participants, or in such other form as may be approved by the Committee, from time to time (called the "**Stock Option Certificate**") which will contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan;
- (b) **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option. The Stock Option Certificate and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option;
- (c) **Vesting and Exercise of Options.** Provided the Participant has not been Terminated, Options may be exercisable, until the Expiry Date determined by the Committee and specified in the Stock Option Certificate. The Committee also may provide for Options to vest at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines. If the application of vesting causes the Option to become exercisable with respect to a fractional Share, such Share shall be rounded down to the nearest whole Share;
- (d) **Take-Over Bids.**
 - (i) **Acceleration of Expiry Date.** Subject to prior approval of this Plan as contemplated in section 2.3(a), if, at any time when an Option granted under the Plan remains unexercised, a person or group of persons acting jointly or in concert, make a bona fide offer (an "**Offer**") to shareholders of the Company, offering to acquire part or all of the outstanding Shares, the Committee may in its sole discretion, upon notifying each Participant of full particulars of the Offer, declare all Options granted under the Plan vested, and declare that the expiry date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer, provided such Offer is completed and, if not completed, the respective Expiry Dates of the Options shall revert to the original Expiry Date
 - (ii) **Compulsory Acquisition or Going Private Transaction.** Subject to prior approval of this Plan as contemplated in section 2.3(a), if and whenever, following a take-over bid or an issuer bid, there shall be a compulsory acquisition of the Company's Shares pursuant to the *Business Corporations Act* (Ontario) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in section 8.2 of Multilateral Instrument 61-101 –

Protection of Minority Security Holders in Special Transactions, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, a Participant shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Participant was theretofore entitled to purchase, the aggregate amount of cash, shares, or other securities or other property which such Participant would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the bid, net of withholding taxes as contemplated by this Plan.

- (e) **Additional Provisions Concerning U.S. Participants.** An Option granted to a U.S. Participant will generally be intended to be an Incentive Stock Option, provided, however, that the Committee may, at its discretion, at the time of the grant of the Option, make a determination as to whether the Option will be deemed an Incentive Stock Option or a Non Qualified Stock Option.

An Option granted to an Eligible Person who is a United States citizen or resident within the meaning of the Code and who is not an employee of the Company or any of its subsidiaries within the meaning of section 424(f) of the Code (or any successor provision) will not be an Incentive Stock Option. Any Stock Option Certificate with such an Eligible Person for a grant of an Option under the Plan will state that the Option granted thereunder is a Non Qualified Stock Option for U.S. income tax purposes.

If a U.S. Participant is granted an Incentive Stock Option under the Plan, the Stock Option Certificate for the U.S. Participant will contain acknowledgements by the U.S. Participant that:

- (A) to the extent that the aggregate Market Price of the Shares (determined as of the date of grant) with respect to which one or more Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year exceeds US\$100,000, such excess Shares shall be treated as received upon the exercise of a Non Qualified Stock Option; and
- (B) in order for an Option granted under the Plan to be treated as an Incentive Stock Option:
 - (I) Shares purchased on the exercise of an Option must not be sold or otherwise disposed of before the later of 2 years from the date the Option was granted, or 1 year from the date the Option was exercised; and
 - (II) if a U.S. Participant's employment with the Company terminates for any reason other than Disability or death as provided in (III) or (IV), the U.S. Participant must maintain his status as an employee of the Company at all times during the period beginning on the date the Option is granted and ending 3 months before the date the Option is exercised;

- (III) if a U.S. Participant's employment with the Company terminates because of Disability, his or her Option must be exercised before the date that is one year after the date of termination; and
- (IV) if a U.S. Participant dies while employed with the Company, his or her Option must be exercised within one year after the date of death.

The acknowledgement of the U.S. Participant in (B)(II) above does not confer upon the U.S. Participant any right with respect to continuation of his employment relationship with the Company, nor will it interfere in any way with the Company's right to terminate his employment relationship at any time, with or without cause.

Notwithstanding this section 2.3(e), the Company does not assume responsibility for the income or other tax consequences for U.S. Participants under the Plan and they are advised to consult their own tax advisors.

The number of Shares reserved and available for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security based compensation arrangement of the Company or options for services granted by the Company) shall not exceed the maximum number of Shares set out in section 2.1(a) of this Plan.

- (f) **Expiry.** The Option shall expire on the expiry date set forth in the Stock Option Certificate and must be exercised, if at all, on or before the expiry date. In no event shall an Option be exercisable during a period extending more than 5 years after the date of grant, provided that in the circumstance where the end of the term of an Option falls within, or within ten business days after the end of, a "black out" or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority). In such circumstances, the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the black out period has ended, the expiry date.
- (g) **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Market Price of the Shares. In the case of an Option granted to a 10% Holder, the Exercise Price shall be no less than 110% of the Market Price of the Shares.
- (h) **Method of Exercise.** Except as otherwise provided herein, Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the "**Exercise Agreement**") in the form attached to this Plan as Exhibit "C", or in such other form as may be approved by the Committee (which need not be the same for each Participant), stating the Participant's election to exercise the Option, the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price, and any applicable taxes, for the number of Shares being purchased. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the

Company that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable securities laws and the rules and policies of any exchange or quotation system upon which the Shares are listed or quoted, as they are in effect on the date of exercise;

- (i) **Cashless Exercise or Net Exercise.** In lieu of exercising the Option by delivery of the Exercise Agreement along with payment of the Exercise Price as provided in section 2.3(g), the Participant may elect to receive Shares with a value equal to the value of the Vested Unissued Option Shares (or the portion thereof being exercised) by surrender of the Option at the office of the Company together with a notice of such election in the form attached as Exhibit D to this Plan (the “**Cashless Exercise Notice**”) duly executed by the Participant, in which event the Company will issue to the Participant a number of Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

where:

X = The number of Shares to be issued to the Participant

Y = The number of Vested Unissued Option Shares (at the date of exercise)

A = The Market Price of one Share (at the date of exercise)

B = The Exercise Price

- (j) **Termination.** Subject to earlier termination pursuant to Article 5, and section 2.3(d) in relation to U.S. Participants, and notwithstanding the exercise periods set forth in the Stock Option Certificate, exercise of an Option will always be subject to the following:
- (i) if the Participant is Terminated for any reason other than the Participant’s death or Disability, then the Participant may exercise such Participant’s Options (but only to the extent that such Options would have been vested and exercisable upon the Termination Date), no later than 30 days after the Termination Date or such earlier period prescribed by law (but in any event no later than the Expiry Date); and
- (ii) if the Participant is Terminated because of the Participant’s death or Disability, then such Participant’s Options may be exercised (but only to the extent that such Options would have been vested and exercisable by the Participant on the Termination Date) by the Participant (or the Participant’s legal representative or authorized assignee), no later than 12 months after the Termination Date or such earlier period as may be prescribed by law (but in any event no later than the Expiry Date);
- (k) **Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on exercise of an Option, provided that such minimum number will not prevent the Participant from exercising the Option for the full number of Shares for which it is then exercisable;
- (l) **Modification, Extension or Renewal.** Subject to applicable laws, rules and regulations (including, without limitation, the rules of any applicable stock exchange or quotation system), the Committee may modify, extend or renew outstanding Options, may modify

vesting periods so that any such stock options, whether vested or unvested, may have an amended vesting schedule or may immediately vest and become exercisable, and may authorize the grant of new Options in exchange therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted;

- (m) **Issuance of Shares.** Provided that the Cashless Exercise Notice or Exercise Agreement and payment are in form and substance satisfactory to the Company, the Company shall issue the Shares registered in the name of the Participant or the Participant's legal representative and shall deliver certificates representing the Shares with the appropriate legends affixed thereto; and
- (n) **Legends.** Unless and until Shares issuable upon the exercise of Options are registered under the United States Securities Act of 1933, Shares issued under this Plan to a U.S. Participant will contain the following legend, as amended or supplemented by applicable laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED OR ASSIGNED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, IF AVAILABLE, OR (C) INSIDE THE UNITED STATES (1) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (2) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (C)(2) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING, REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT.

ARTICLE III ADMINISTRATION

3.1 Committee Authority. This Plan will be administered by the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan including, without limitation, the authority to:

- (a) construe and interpret this Plan, any Stock Option Certificate and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan;
- (c) select Eligible Persons to receive Options;
- (d) determine the form and terms of Options and Stock Option Certificates, provided that they are not inconsistent with the terms of the Plan;

- (e) determine the Exercise Price of an Option;
- (f) determine the number of Shares to be covered by each Option;
- (g) determine whether Options will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (h) grant waivers of Option conditions or amend or modify each Option, provided that they are not inconsistent with the terms of this Plan;
- (i) determine the vesting, exercisability and Expiry Dates of Options;
- (j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Certificate, any Exercise Agreement or Cashless Exercise Notice;
- (k) determine whether an Option has been earned; and
- (l) make all other determinations necessary or advisable for the administration of this Plan.

3.2 Committee Discretion. Any determination made by the Committee with respect to any Option will be made in its sole discretion at the time of grant of the Option or, unless in contravention of any express term of this Plan or Option, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Option under this Plan.

ARTICLE IV RIGHTS OF OWNERSHIP

4.1 No Rights of a Shareholder. No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued as evidenced by the appropriate entry on the securities register of the Company.

4.2 Transferability. Options granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the operation of law. During the lifetime of the Participant, an Option will be exercisable only by the Participant and any elections with respect to an Option may be made only by the Participant. The terms of the Option shall be binding upon the executors, administrators and heirs of the Participant.

ARTICLE V CORPORATE TRANSACTIONS

5.1 Assumption or Replacement of Options by Successor. In the event of:

- (a) a merger whether by way of amalgamation or arrangement in which the Company is not the surviving corporation (other than a merger with a wholly-owned subsidiary, or other transaction in which there is no substantial change in the shareholders of the Company or their relative shareholdings and the Options granted under this Plan are assumed,

converted or replaced by the successor corporation, which assumption will be binding on all Participants);

- (b) a merger whether by way of amalgamation or arrangement in which the Company is the surviving corporation but after which shareholders of the Company immediately prior to such merger (other than any shareholder which merges, or which owns or controls another corporation which merges, with the Company in such merger) cease to own their shares or other equity interests in the Company; or
- (c) the sale of substantially all of the assets of the Company,

any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Options).

5.2 Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action. The Committee may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Committee and give each Participant the right to exercise his or her Option as to all or any part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable.

5.3 Assumption of Options by the Company. The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

ARTICLE VI GENERAL

6.1 No Obligation to Employ. Nothing in this Plan or any Option granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate Participant's employment or other relationship at any time, with or without cause. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period in which an Eligible Person is providing continuous services for the purposes of the Plan.

6.2 Term of Plan. Unless extended or earlier terminated as provided herein, the Plan will terminate 10 years from the Effective Date except with respect to Options then outstanding. No Options may be granted under this Plan after the 10th anniversary of the Effective Date.

6.3 Withholding. The Company may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to Options (“**Withholding Obligations**”). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by (a) requiring a Participant, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Participant to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations or (b) selling on the Participant’s behalf, or requiring the Participant to sell, any Shares acquired by the Participant under the Plan, or retaining any amount which would otherwise be payable to the Participant in connection with any such sale.

6.4 Governing Law. This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario.

6.5 Termination and Amendment of Plan. The Board may at any time terminate this Plan in any respect, provided that no such termination shall adversely affect the rights of any Participant under any Option previously granted except with the consent of such Participant. The Board may, without notice, at any time and from time to time, amend the Plan or any provisions thereof, or the form of Stock Option Certificate or instrument to be executed pursuant to the Plan, in such manner as the Board, in its sole discretion, determines appropriate without shareholder approval:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
- (b) to correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Certificate, any Exercise Agreement or Cashless Exercise Notice;
- (c) to change any vesting provisions of Options or the Plan;
- (d) to change the termination provisions of the Options or the Plan which does not entail an extension beyond the original Expiry Date of the Options;
- (e) to add or modify a cashless exercise feature providing for the payment in cash or securities on the exercise of Options; and
- (f) to add or change provisions relating to any form of financial assistance provided by the Company to Participants that would facilitate the purchase of securities under the Plan;

provided, however, that:

- (g) no such amendment of the Plan may be made without the consent of such affected Participant if such amendment would adversely affect the rights of such affected Participant under the Plan; and

- (h) shareholder approval shall be obtained for any amendment that results in:
 - (i) an increase in the number of Shares issuable under Options granted pursuant to the Plan;
 - (ii) a change in the persons who qualify as Eligible Persons under the Plan;
 - (iii) a reduction in the exercise price of an Option;
 - (iv) the cancellation and reissue of any Option;
 - (v) an extension of the term of an Option;
 - (vi) Options becoming transferable or assignable other than for the purposes as described in section 4.2;
 - (vii) a change to the insider participation limit set forth in section 2.1 of the Plan;
 - (viii) a change to the Outside Director participation limit set forth in section 2.1 of the Plan; or
 - (ix) a change to this section 6.5 of the Plan.

6.6 Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to a Participant shall be in writing and addressed to such Participant at the address indicated in the Stock Option Certificate or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three business days after deposit in the mail by certified or registered mail (return receipt requested); one business day after deposit with any return receipt express courier (prepaid); or one business day after transmission by confirmed facsimile, rapidfax or telecopier.

6.7 Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

6.8 Non-exclusivity of the Plan. Neither the adoption of this Plan by the Board nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

6.9 Section 409A of the Code. Notwithstanding any provision of this Plan to the contrary, if any provision of this Plan contravenes any regulations or guidance promulgated under section 409A of the Code or would cause any person to be subject to additional taxes, interest and/or penalties under section 409A of the Code, such provision of this Plan, the Options and the Stock Option Certificates may be modified by the Board without notice to or consent of the Participant in any manner the Board deems reasonable or appropriate.

EXHIBIT A

PARTICIPANT GRANT

BSM Technologies Inc.
(the "Company")
Stock Option Certificate
under
Stock Option Plan
(the "Plan")

The Company hereby grants to a Participant an Option, the details of which are as follows:

Participant's Name: Social Insurance Number: Address: Total Option Shares: Exercise Price Per Share: Date of Grant: Expiration Date:
--

You agree that you may suffer tax consequences as a result of the grant of this Option, the exercise of the Option and the disposition of Shares. You acknowledge that you are not relying on the Company or its advisors for any tax advice.

This Stock Option Certificate is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of the Stock Option Certificate and the Plan, the terms of the Plan shall govern.

If you agree to accept the Option described above, subject to all of the terms and conditions of the Plan, please sign one copy of this letter and return it to _____ by _____.

BSM TECHNOLOGIES INC.

By: _____
Authorized Signatory

I have received a copy of the Plan and agree to comply with, and agree that my participation is subject in all respects to, its terms and conditions.

(Signature)

(Date)

Address

EXHIBIT B

U.S. PARTICIPANT GRANT

BSM Technologies Inc.
(the "Company")
Stock Option Certificate
under
Stock Option Plan
(the "Plan")

The Company hereby grants to a Participant an Option, the details of which are as follows:

Participant's Name:

Social Security Number:

Address:

Total Option Shares:

Exercise Price Per Share:

Date of Grant:

Expiration Date:

Type of Option⁽¹⁾: Incentive Stock Option:

Non Qualified Stock Option:

Note (1): the number of Shares deemed to be granted pursuant to one or more Incentive Stock Options shall be calculated in accordance with (a) below

You agree that you may suffer tax consequences as a result of the grant of this Option, the exercise of the Option and the disposition of Shares. You acknowledge that you are not relying on the Company or its advisors for any tax advice.

If the Option is designated as an "Incentive Stock Option" as that term is defined in section 422 of the Code, you acknowledge that:

- (a) to the extent that the aggregate Market Price of the Shares (determined as of the date of grant) with respect to which one or more Incentive Stock Options are exercisable for the first time by you during any calendar year exceeds US\$100,000, such excess Shares shall be treated as received upon the exercise of a Non Qualified Stock Option; and
- (b) in order for the Option to be treated as an Incentive Stock Option:
 - (i) Shares purchased on the exercise of an Option must not be sold or otherwise disposed of before the later of 2 years from the date the Option was granted, or 1 year from the date the Option was exercised;
 - (ii) if your employment with the Company terminates for any reason other than Disability or death as provided in (iii) or (iv), you must maintain your status as an employee of the Company at all times during the period beginning on the date the Option is granted and ending 3 months before the date an Option is exercised;
 - (iii) if your employment with the Company terminates because of Disability, your Option must be exercised before the date that is one year after the date of termination; and

- (iv) if you die while employed with the Company, your Option must be exercised within one year after the date of death.

This Stock Option Certificate is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of the Stock Option Certificate and the Plan, the terms of the Plan shall govern.

If you agree to accept the Option described above, subject to all of the terms and conditions of the Plan, please sign one copy of this letter and return it to _____ by _____.

BSM TECHNOLOGIES INC.

By: _____
Authorized Signatory

I have received a copy of the Plan and agree to comply with, and agree that my participation is subject in all respects to, its terms and conditions.

(Signature)

(Date)

Address

Address

EXHIBIT C

BSM TECHNOLOGIES INC.

**NOTICE OF EXERCISE OF STOCK OPTION
UNDER THE STOCK OPTION PLAN**

TO: BSM Technologies Inc.

FROM: _____

DATE: _____

RE: Exercise of Stock Option

I hereby exercise my Option to purchase _____ Shares (U.S. Participants select Incentive Stock Options OR Non-Qualified Stock Options (tick one)) for a per Share Exercise Price of \$_____ (total aggregate exercise price of \$_____), effective today's date, in accordance with the terms of my attached Stock Option Certificate.

I hereby:

(a) enclose a certified cheque payable to BSM Technologies Inc. for the aggregate Exercise Price plus the amount of the estimated Withholding Obligation and agree that I will reimburse the Company for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; OR

(b) advise the Company that _____ [Name of Brokerage Firm] (the "**Broker**") will provide the Company with the Exercise Price and estimated Withholding Obligation in respect of the above Options in exchange for certificates representing such number of Shares to be issued upon due exercise of the above Options that have been sold by the Broker for my account. Upon confirmation of the number of Shares sold by the Broker, I hereby direct you to deliver the applicable share certificates to the Broker. I agree that I will reimburse the Company for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations.

Attached is a cheque payable to BSM Technologies Inc. for the total aggregate exercise price of the Shares being purchased.

Please prepare the stock certificate in the following name(s):

NOTE: If the shares are to be registered in a name other than the Participant's name, please advise the Company. The Stock Option Plan requires the Company's approval for registration in a name other than your name and states the limited circumstances in which this will be permitted.

Sincerely

Signature

Print or type name

Letter and consideration
received on _____, 20____.

By: _____

EXHIBIT D

BSM TECHNOLOGIES INC.

NOTICE OF CASHLESS OR NET EXERCISE

TO: BSM Technologies Inc.
FROM: _____
DATE: _____
RE: Cashless or Net Exercise of Stock Option

I hereby elect to receive Shares with a value equal to the value of _____ Vested Unissued Option Shares (as calculate under section 2.3(i)) with a per Share Exercise Price of \$_____ (total aggregate exercise price of \$_____), effective today's date, in accordance with my attached Stock Option Certificate. I acknowledge and agree that if I hold both Incentive Stock Options and Non-Qualified Stock Options, absent specific instructions from me, the options I am exercising will be treated as options exercised pursuant to the exercise of an Incentive Stock Option first, followed by the exercise of a Non Qualified Stock Option second.

Please prepare the stock certificate(s) in the following name(s):

NOTE: If the shares are to be registered in a name other than the Participant's name, please advise the Company. The Stock Option Plan requires the Company's approval for registration in a name other than your name and states the limited circumstances in which this will be permitted.

Sincerely

Signature

Print or type name

Letter and consideration
received on _____, 20____.
By: _____