



# **Management Information Circular**

**Dated**

**April 15, 2021**

## **Annual General Meeting**

**Tuesday, June 1, 2021**

**8:00 AM MDT**

**McCoy Global Inc. – Corporate Office**

**#210, 9910 39 Avenue NW**

**Edmonton, AB T6E 5H8**

## NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the "Meeting") of the holders of common shares ("Common Shares") of McCoy Global Inc. (the "Corporation" or "McCoy Global") will be held at the McCoy Global Inc. Corporate office, on the 1<sup>st</sup> day of June 2021 at the hour of 8:00 a.m. MDT for the following purposes:

1. to fix the number of directors of the Corporation to be elected at the Meeting at six (6) members;
2. to elect the Board of Directors of the Corporation for the ensuing year;
3. to receive and consider the Audited Financial Statements of the Corporation for the fiscal year ended December 31, 2020 together with the Auditors' Report thereon;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, approve the ordinary resolution, as more particularly set forth in Schedule "A" of the accompanying Management Information Circular, relating to the approval of amendments to the Corporation's Stock Option Plan;
6. to consider and, if thought fit, approve the ordinary resolution, as more particularly set forth in Schedule "B" of the accompanying Management Information Circular, relating to the approval of amendments to the Corporation's Restricted Share Plan;
7. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the approval of the unallocated options under the stock option plan of the Corporation;
8. to consider and, if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the approval of the unallocated restricted shares under the restricted share plan of the Corporation;
9. to transact such other business as may properly come before the Meeting.

The date for determination of the shareholders entitled to receive Notice of the Meeting and vote shall be holders of Common Shares of the Corporation of record at the close of business on April 15, 2021.

**DATED** at the City of Edmonton, in the Province of Alberta, this 15<sup>th</sup> day of April 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "Jim Rakievich"

**Jim Rakievich**

**President & Chief Executive Officer**

## INVITATION TO SHAREHOLDERS

On behalf of the Board of Directors and the executive management team of McCoy Global, we invite you to join us at McCoy Global Inc.'s Annual General Meeting. The Meeting will be held:

**Date:** Tuesday, June 1, 2021

**Time:** 8:00 a.m. MDT




**Place:** McCoy Global Inc. – Corporate Office  
#201, 9910 39 Avenue NW  
Edmonton, AB T6E 5H8

At the Meeting, holders of Common Shares of McCoy Global will be asked to consider and, if thought appropriate, approve the business items in the notice of meeting and this Management Information Circular. At the end of the Meeting, a question and answer session will take place and at the reception following, you will have an opportunity to meet your directors and executive management team.

The COVID-19 pandemic continues to impact public health measures and restrictions on gatherings enacted by both the Federal and Provincial governments in Canada. After careful consideration and deliberation, we have determined to proceed with an in-person meeting in the same format we held successfully in 2020. However, the circumstances surrounding the COVID-19 pandemic remain fluid. We will continue to monitor the situation and will adhere to all applicable government and public health authority recommendations and restrictions, including those restricting the size of public gatherings. As such, we strongly urge all shareholders to vote by proxy in advance of the meeting by following the instructions in the enclosed circular. If circumstances change and it becomes necessary or advisable to change the date, location, or format of the meeting, McCoy Global will update shareholders accordingly.

In light of the ongoing challenges presented by the COVID-19 pandemic, the Corporation asks that Shareholders follow the instructions and recommendations of federal, provincial, and local health authorities when considering whether to attend the Meeting. The Corporation will continue to monitor the circumstances and will adhere to all applicable government and public health authority recommendations and restrictions, including those restricting the size of public gatherings, in order to support efforts to reduce the impact and spread of COVID-19.

**A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder's Common Shares will be voted at the Meeting, is requested to complete, date and execute the enclosed Form of Proxy or voting instruction form and deliver it by facsimile, by email, by hand or by mail or vote by telephone or via the internet, in each case in accordance with the instructions set out in the Form of Proxy or voting instruction form, as applicable, and in the Management Information Circular.** All proxies, to be valid, must be deposited with the Corporation in care of Computershare Trust Company of Canada, Proxy Department, 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at least forty-eight (48) hours prior to the meeting, excluding Saturday, Sunday and holidays, or any adjournment(s) thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk. Late proxies may be accepted or rejected by the Chair of the meeting at the Chair's discretion, and the Chair is under no obligation to accept or reject any particulate late proxy.

Voting Method	If You Received a Proxy or Voting Instruction Form From:	If You Received a Voting Instruction Form From:
	Computershare	Broadridge Financial Solutions
<b>Internet</b> 	<a href="http://investorvote.com">investorvote.com</a>	<a href="http://www.proxyvote.com">www.proxyvote.com</a>
<b>Facsimile</b> 	1-866-249-7775	Complete, date, and sign the voting instruction form and fax it to the number listed therein.
<b>Telephone</b> 	1-866-732-8683 Toll Free	Call the toll-free number listed on your voting instruction form and vote using the control number provided therein.

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## Shareholder and Voting Information

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of McCoy Global Inc. (the "Corporation" or "McCoy Global") for use at the Annual General Meeting of the holders of common shares (the "Common Shares") of the Corporation to be held at the McCoy Global Inc. - Corporate Office, #201, 9910 39 Avenue NW, in the City of Edmonton, Alberta on Tuesday, the 1<sup>st</sup> day of June, 2021 at 8:00 a.m. MDT, or at any adjournment thereof (the "Meeting"), for the purposes set forth in the enclosed Notice of Meeting. The information contained herein is given as of the 15<sup>th</sup> day of April 2021 (the "Effective Date"), except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. The Corporation's annual consolidated financial statements to be presented at the Meeting are available on SEDAR at [www.sedar.com](http://www.sedar.com). Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

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 proxy solicitation services. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone, or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated, therefore. All costs of this solicitation will be borne by the Corporation.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

### 1. Appointment and Revocation of Proxies

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the Board of Directors of the Corporation (the "Board") and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached, where an attorney executed the proxy form or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized. In addition, a proxy may be revoked by a shareholder personally attending the meeting and voting his or her shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, Proxy Department, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chair of the Meeting in the Chair's discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or the shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, with Computershare Trust Company of Canada, Proxy Department, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be



used, or by depositing the instrument in writing with the Chair of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting their shares.

## 2. Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders, and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. Additionally, there are two kinds of Beneficial shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "OBO"s; and (ii) those who do not object to their name being known to the issuers of securities which they own, known as non-objecting beneficial owners or "NOBOs".

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

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

This Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting may have been sent directly by the Corporation, rather than through an intermediary, to non-objecting beneficial owners under National Instrument 54-101. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are

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

### 3. Voting of Proxies

Each shareholder may instruct the shareholder's proxy how to vote the shareholder's Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted for or against or withheld from voting (including the voting on any ballot) in respect of each proposed resolution, as the case may be, and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**If you decide to appoint the directors and/or officers of the Corporation named in the enclosed Form of Proxy as your proxyholders, and do not indicate how you want to vote, they will vote as follows:**

- FOR** fixing the number of directors of the Corporation to be elected at the Meeting at six (6) members
- FOR** electing each of the six director nominees recommended by management
- FOR** appointing PricewaterhouseCoopers LP as auditors at a remuneration to be fixed by the Directors
- FOR** amending the Corporation's Stock Option Plan, as set out in Schedule "A"
- FOR** amending the Corporation's Restricted Share Plan, as set out in Schedule "B"
- FOR** approving the unallocated options under the Corporation's Stock Option Plan
- FOR** approving the unallocated restricted shares under the Corporation's Restricted Share Plan

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the Effective Date, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

### 4. Quorum

A quorum of shareholders is present at a meeting of shareholders if a holder or holders of not less than 10% of the Common Shares entitled to vote at a meeting of shareholders are present in person or represented by proxy at the Meeting.

### 5. Voting Securities and Principal Holders of Voting Securities

As at the Effective Date, the Corporation is authorized to issue an unlimited number of Common Shares, of which **27,809,989** Common Shares are issued and outstanding. The Corporation is also authorized to issue an unlimited number of preferred shares, none of which are issued or outstanding as at the Effective Date. The Common Shares are the only shares entitled to be voted at the meeting and holders of common shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on April 15, 2021 (the "Record Date") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (i) the holder transfers the holder's shares after the close of business on the Record Date, and (ii) such transferee produces properly endorsed share certificates to the Secretary or Transfer Agent of the Corporation, or otherwise establishes the holder's ownership of the shares, at least ten (10) days prior to the Meeting, in which case the transferee may vote those shares.

Set out below are the names of all persons or companies who, to the knowledge of the directors and executive officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding Common Shares.

Name and Municipality	Type of Ownership	Number and Percentage of Common Shares Beneficially Owned Directly or Indirectly, Controlled or Directed
Burgundy Asset Management Ltd. ("Burgundy") Toronto, ON	Beneficial	4,783,500 (17%)
Ewing Morris & Co. Investment Partners Ltd. ("Ewing Morris") Toronto, ON	Beneficial	3,733,125 (14%)
Cannell Capital, LLC ("Cannell") Alta, WY	Beneficial	3,451,148 (12%)
Fidelity Management & Research Company ("Fidelity") Boston, MA	Beneficial	3,080,785 (11%)

## 6. Frequently Asked Questions

**Q Am I entitled to receive notice of the Meeting and attend the Meeting?**

**A** Yes, if you are a holder of Common Shares of the Corporation as at April 15, 2021, which is the record date for the Meeting.

**Q Am I entitled to vote and what am I voting for?**

**A** If you hold Common Shares as of the close of business on April 15, 2021, you are entitled to cast one vote per Common Share held on the matters set forth in the accompanying Notice of Meeting.

**Q Am I a registered or beneficial shareholder?**

**A** You are a registered shareholder if you have a share certificate registered in your name.

You are a beneficial shareholder if:

- Your Common Shares are registered in the name of an intermediary (i.e. a bank, trustee, or an investment dealer) or the name of a clearing agency of which the intermediary is a participant; or
- You hold your Common Shares through the Corporation's Employee Share Purchase Plan.

**Q How can I vote my Common Shares?**

**A** You can vote either by attending and voting your Common Shares at the Meeting or, if you cannot attend the Meeting, by having your Common Shares voted by proxy. How you exercise your vote depends on whether you are a registered or beneficial shareholder. Given the evolving Covid-19 concerns, you are encouraged to vote and submit your proxy in advance of the proxy voting deadline even if you plan to attend the Meeting.

**Voting by attending the Meeting – registered and beneficial shareholders**

If you are a registered shareholder, you are entitled to attend the Meeting and cast your vote in person.

If you are a beneficial shareholder, you are entitled to attend the Meeting and cast your vote in person, provided you have submitted a properly executed voting instruction form (signed by the registered holder), inserting your name in the blank space provided and returning it in the envelope provided. When you arrive at the Meeting, advise the registration staff that you are a proxy appointee. If you have received a voting instruction form, please follow the instructions on the form.

**Voting by proxy**

How you vote depends on whether you are a registered shareholder, a beneficial shareholder, or a holder of employee shares.

***Voting by proxy – registered shareholders***

If you are a registered shareholder, you may vote your proxy by depositing same with the Corporation in care of Computershare Trust Company of Canada, Proxy Department, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at least forty-eight (48) hours prior to the Meeting, excluding Saturday, Sunday and holidays, or any adjournment(s) thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk. For ease, Registered shareholders may submit their vote by telephone or via the internet. Late proxies may be accepted or rejected by the Chair of the Meeting at the Chair's discretion and the Chair is under no obligation to accept or reject any particular late proxy.

***Voting by proxy – beneficial shareholders***

If you are a beneficial shareholder and you receive materials entitling you to vote through an investment dealer or other intermediary, complete, and return such materials, by following the instructions provided to you by the investment dealer or other intermediary.

**Q What if I am an employee of the Corporation and hold shares which were purchased through the Employee Share Purchase Plan?**

**A** If you are an employee of the Corporation and have purchased shares through the Employee Share Purchase Plan you are treated in the same manner as beneficial shareholders. You are entitled to attend the Meeting and cast your vote in person, provided you have submitted a properly executed proxy, inserting your name in the blank space provided and returning it according to the instructions on the form. When you arrive at the meeting, advise the registration staff that you are a proxy appointee.

**Q Who votes my shares?**

**A** Each of the Management Designees named in the proxy to represent shareholders at the Meeting is a director and/or officer of the Corporation. You can appoint someone else to represent you at the Meeting; however, you must appoint that person by proxy by inserting his or her name in the appropriate space on the proxy form, or completing another acceptable paper proxy. The person you appoint does not need to be a shareholder but must attend the Meeting in person in order for your vote to be cast.

**Q How will my shares be voted if I return a proxy?**

**A** By completing and returning a proxy, you are authorizing the person named in the proxy to attend the Meeting and vote your shares on each item of business you are entitled to vote on, according to your instructions. If there are no instructions with respect to your proxy, your Common Shares will be voted in favour of:

- fixing the number of directors to be elected at the Meeting at six (6) members;
- electing as a director each person nominated by the Corporation for the ensuing year;
- appointing PricewaterhouseCoopers LLP as auditors for the ensuing year and authorizing the directors to fix their remuneration;

**Q Can I revoke a proxy?**

**A** Yes, if you are a registered shareholder and have voted by proxy, you may revoke it by delivering a duly executed proxy with a later date or a form of revocation of proxy.

Such proxies can be delivered to the Corporation c/o Computershare Trust Company of Canada, Proxy Department, 8th floor, 100 University Avenue, Toronto Ontario, M5J 2Y1 at least forty eight (48) hours prior to the Meeting, excluding Saturday, Sunday and holidays, or any adjournment(s) thereof.

Alternatively, you may revoke your proxy and vote in person, by delivering a form of revocation of proxy to the Chair of the Meeting at the Meeting or any adjournment thereof before the vote in respect of which the proxy is to be used is taken. You may also revoke your proxy in any other manner permitted by law.

If you are a beneficial shareholder, you may revoke your proxy or voting instructions by contacting the individual who serves your account, prior to the proxy cut-off time of at least forty-eight (48) hours prior to the Meeting, excluding Saturday, Sunday and holidays, or any adjournment(s) thereof.

As a holder of employee shares, if you have provided your proxy you may revoke it by delivering another with a later date or a form of revocation of proxy, no later than forty-eight (48) hours prior to the Meeting, excluding Saturday, Sunday and holidays, or any adjournment(s) thereof.

**Q Who has discretionary authority to vote on amendments or variations to any of the business items and on any other matter that may properly come before the meeting?**

**A** Your voting instructions provided by proxy give discretionary authority to the person you appoint to vote as he or she sees fit on any amendment or variation to any of the matters identified in the notice of the meeting and any other matters that may properly be brought before the Meeting, to the extent permitted by law. As of the Effective Date, neither the directors nor senior officers of the Corporation are aware of any variation, amendment, or other matter to be presented for a vote at the Meeting.

## Business to be Transacted

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### 1. Number of Directors

Shareholders of the Corporation will be asked to consider, and if thought appropriate, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).

In order to be effective an ordinary resolution requires approval by a majority of the votes cast by shareholders who vote in respect of the resolution. At the Meeting, it will be proposed that six directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed it is the intention of the Management Designees, if named as proxy, to vote the proxies in favour of the resolution fixing the number of directors to be elected at the Meeting at six (6).**



Management recommends that Shareholders vote **FOR** fixing the number of directors of the Corporation to be elected at the Meeting at six (6) members

### 2. Election of Directors

The affairs of the Corporation are managed by its Board of Directors. The directors are elected by the shareholders annually at each annual general meeting of the shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a director vacates the director's office or his office is earlier vacated in accordance with the by-laws of the Corporation, or the provisions of the *Business Corporations Act* (Alberta) to which the Corporation is subject.

The Corporate Governance Guidelines includes a majority voting policy ("Policy") relating to the election of directors in non-contested elections. Under the Policy, each proxy for the election of directors will permit the shareholders to vote "For" or "Withhold" each individual director, and any director nominee who receives from the votes cast a greater number of "Withhold" votes than "For" votes shall promptly, following the certification of the shareholder vote, submit his or her resignation from the Board, which shall either accept or reject the resignation in accordance with the Policy. For the forthcoming year, it is proposed that the Board of Directors shall consist of six (6) members. The persons named below have been nominated for election and have consented to such nomination.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.**



Management recommends that Shareholders vote **FOR** each of the following six (6) nominees

## Director Profiles

The following provides the name and background information of each nominee, present principal occupation, principal occupations during the past five years, and positions held with the Corporation, if any.

### Terry D. Freeman, FCPA, FCA, ICD.D

Edmonton, Alberta, Canada

**Director since:** September 2009

**Status:** Independent

**Committee Membership:**

Audit Committee (Chair)

Human Resources, Compensation & Governance Committee



Terry D. Freeman is a Fellow of the Institute of Chartered Accountants of Alberta and is Head of Investments for ATB Private Equity LP, a private equity firm investing in Alberta based businesses as well as a member of the Boards of a number of private real estate, construction and energy services businesses. Mr. Freeman also serves on two public boards, Phoenix Technology Services (PHX.TSX) and Vertex Resource Group (VTX.TSX:V).

### Equity Ownership as at April 15, 2021

	Total (#) <sup>(1)</sup>	Total Value (\$) <sup>(2)</sup>
Common Shares	-	-
Deferred Share Units	90,317	54,190
<b>Total</b>	<b>90,317</b>	<b>54,190</b>

### Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020

	Attendance	Percentage
Board	10 of 10	100%
Audit Committee	4 of 4	100%
Human Resource & Governance Committee	3 of 3	100%
<b>Overall</b>	<b>17 of 17</b>	<b>100%</b>

### Voting Results of 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.10%	0.90%

**Cory Janssen**

Edmonton, Alberta, Canada

**Director since:** February 2021**Status:** Independent**Committee Membership:**

Audit Committee

Human Resource, Compensation &amp; Governance Committee



Cory Janssen has over 20 years' experience in technology and software development. He is the Co-Founder and Co-CEO of AltaML Inc., a Canadian artificial intelligence company that designs and implements applied AI solutions. In his current role, Mr. Janssen is responsible for overseeing AltaML's growth strategy and is actively involved in helping business leaders understand how AI can be used as a horizontal enabler to create competitive advantage. Before AltaML, Mr. Janssen was involved in several successful ventures and is best known for co-founding Investopedia.com which was sold to Forbes Media in 2007. Mr. Janssen is a current Director at Edmonton Global and serves on a number of private company boards. He holds a Bachelor of Commerce from the University of Alberta.

**Equity Ownership as at April 15, 2021**

	<b>Total (#)<sup>(1)</sup></b>	<b>Total Value (\$)<sup>(2)</sup></b>
Common Shares	-	-
Deferred Share Units	81,967	49,180
<b>Total</b>	<b>81,967</b>	<b>49,180</b>

**Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020**

	<b>Attendance</b>	<b>Percentage</b>
Board	n/a	n/a
Audit Committee	n/a	n/a
Human Resource & Governance Committee	n/a	n/a
<b>Overall</b>	<b>n/a</b>	<b>n/a</b>

**Voting Results of 2020 Annual General Meeting**

	<b>Votes For</b>	<b>Votes Withheld</b>
<b>Percentage of Votes</b>	n/a	n/a



**Jim Rakievich, ICD.D**

Edmonton, Alberta, Canada

**Director since:** October 2002**Status:** Non-independent

Mr. Jim Rakievich was appointed President and CEO of McCoy Global and a member of the Company's Board of Directors in 2002. With key strategic acquisitions, the launch of McCoy's innovative product line and expanding operations into the United States as well as in the Eastern Hemisphere, Mr. Rakievich has led the Company's evolution to become a provider of technical solutions and services for the global energy market.

Mr. Rakievich has more than 30 years of senior management experience: prior to his appointment as McCoy's President and CEO, Mr. Rakievich served as the Company's Vice President of Service from 1999-2001, and then as its Chief Operating Officer from 2001-2002. Prior to joining McCoy, Mr. Rakievich was Kleysen Transport's regional manager from 1987 to 1996. Mr. Rakievich completed the J.L. Kellogg Executive Development program at Northwestern University in 2001 and received his Institute of Corporate Directors (ICD.D) designation from the University of Toronto's Rotman School of Management in 2009.

**Equity Ownership as at April 15, 2021**

	<b>Total (#)<sup>(1)</sup></b>	<b>Total Value (\$)<sup>(2)(3)(4)</sup></b>
Common Shares	700,012	420,007
Restricted Shares	-	-
Stock Options	625,000	-
<b>Total</b>	<b>1,325,012</b>	<b>420,007</b>

**Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020**

	<b>Attendance</b>	<b>Percentage</b>
Board	10 of 10	100%
Audit Committee <sup>(5)</sup>	4 of 4	100%
Human Resource & Governance Committee <sup>(5)</sup>	3 of 3	100%
<b>Overall</b>	<b>17 of 17</b>	<b>100%</b>

**Voting Results of 2020 Annual General Meeting**

	<b>Votes For</b>	<b>Votes Withheld</b>
<b>Percentage of Votes</b>	99.19%	0.81%

**Alex Ryzhikov, CFA<sup>(6)</sup>**

Toronto, Ontario, Canada

**Director since:** n/a**Status:** Independent

Mr. Alex Ryzhikov began his investment career at Burgundy Asset Management in 2011 where he worked as an investment analyst on Burgundy's US Large-Cap team. Mr. Ryzhikov joined Ewing Morris Investment Partners in 2014 and most recently, Mr. Ryzhikov was Partner and Portfolio Manager where he was responsible for the Canadian Small-Cap fund. From January 2019 until August 2020, Alex served as a director of Apteryx Imaging (XRAY.TSX.V), a publicly listed SaaS company providing software technology to the North American dental industry.

**Equity Ownership as at April 15, 2021**

	<b>Total (#)<sup>(1)</sup></b>	<b>Total Value (\$)<sup>(2)</sup></b>
Common Shares	-	-
Deferred Share Units	-	-
<b>Total</b>	-	-

**Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020**

	<b>Attendance</b>	<b>Percentage</b>
Board	n/a	n/a
Audit Committee	n/a	n/a
Human Resource & Governance Committee	n/a	n/a
<b>Overall</b>	<b>n/a</b>	<b>n/a</b>

**Voting Results of 2020 Annual General Meeting**

	<b>Votes For</b>	<b>Votes Withheld</b>
<b>Percentage of Votes</b>	n/a	n/a

**Christopher T. Seaver, MBA, JD**

Calgary, Alberta, Canada

**Chairman since:** June 2014**Director since:** December 2010**Status:** Independent

Christopher T. Seaver retired as Chairman of the Board, President and Chief Executive Officer of Hydril Company ("Hydril"), an oil and gas services company specializing in pressure control equipment and premium connections for tubing and casing, when it was sold in 2007. He joined Hydril in 1985 and held a series of domestic and international management positions after that time. Prior to joining Hydril, Mr. Seaver was a corporate and securities lawyer and, before that, a U.S. Foreign Service Officer with postings in the Democratic Republic of the Congo and Colombia.

He holds JD and MBA degrees from Stanford University, and a BA in economics from Yale University. Mr. Seaver is presently a director of Exterran Corporation (EXTN.NYSE); and Oil States International, Inc. (OIS.NYSE).

**Equity Ownership as at April 15, 2021**

	<b>Total (#)<sup>(1)</sup></b>	<b>Total Value (\$)<sup>(2)</sup></b>
Common Shares	335,300	201,180
Deferred Share Units	66,772	40,063
<b>Total</b>	<b>402,072</b>	<b>241,243</b>

**Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020**

	<b>Attendance</b>	<b>Percentage</b>
Board	10 of 10	100%
Audit Committee <sup>(5)</sup>	4 of 4	100%
Human Resource & Governance Committee <sup>(5)</sup>	3 of 3	100%
<b>Overall</b>	<b>17 of 17</b>	<b>100%</b>

**Voting Results of 2020 Annual General Meeting**

	<b>Votes For</b>	<b>Votes Withheld</b>
<b>Percentage of Votes</b>	99.32%	0.68%

**William “John” Walker**

Houston, Texas, United States

**Director since:** January 2020**Status:** Independent**Committee Membership:**

Audit Committee

Human Resource, Compensation &amp; Governance Committee



Mr. Walker has more than 35 years of international business experience in the energy industry primarily focused on well construction and automated digital technologies while at Nabors Industries Ltd. and at Frank's International N.V., the global oilfield service company where he spent much of his career. With these public companies his roles included Business Development and Sales, Marketing and Commercialization, and Global Operations. He is known for a collaborative working style and has advised Boards of Directors on strategic planning, market development, safety performance and integration of new technologies. Mr. Walker has worked in the Houston area for the past 15 years and previously lived in Europe, Asia Pacific, and the Middle East since joining the industry in 1983. He studied Engineering at Aberdeen Technical College in the United Kingdom.

**Equity Ownership as at April 15, 2021**

	<b>Total (#)<sup>(1)</sup></b>	<b>Total Value (\$)<sup>(2)</sup></b>
Common Shares	-	-
Deferred Share Units	92,229	55,337
<b>Total</b>	<b>92,229</b>	<b>55,337</b>

**Board & Committee Meeting Attendance from January 1, 2020 to December 31, 2020**

	<b>Attendance</b>	<b>Percentage</b>
Board	10 of 10	100%
Audit Committee	4 of 4	100%
Human Resource & Governance Committee	3 of 3	100%
<b>Overall</b>	<b>17 of 17</b>	<b>100%</b>

**Voting Results of 2020 Annual General Meeting**

	<b>Votes For</b>	<b>Votes Withheld</b>
<b>Percentage of Votes</b>	99.34	.66%

- (1) The information as to the Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) The value of common shares, restricted shares and DSUs was determined by multiplying the number of Common Shares and DSUs held by each director by the closing price of the Common Shares on the Toronto Stock Exchange on April 15, 2021 of \$0.60.
- (3) The total number of Common Shares above excludes any Common Shares purchased through the Corporation's Employee Share Purchase Plan for the period of January 1, 2021 to April 15, 2021.
- (4) The value of stock options was determined by multiplying the difference between the option's exercise price and the closing price of Common Shares on the Toronto Stock Exchange on April 15, 2021 of \$0.60 by the number of options outstanding, for any in-the-money options.
- (5) The Board Chairman and President & CEO attend all committee meetings.
- (6) The Corporation reached an agreement with Burgundy to include its shareholder nominee, Mr. Alex Ryzhikov, as a director nominee for election at the Meeting.

## Director Competency Matrix

The Human Resources, Compensation & Governance Committee (HRC&GC) is responsible for determining the needs of the Board of Directors and identifying new candidates to stand as nominees for election or appointment as directors.

In considering its recommendations, the HRC&GC acknowledges that the Board of Directors' membership should represent a diversity of backgrounds, experience, and skills. Directors are selected for their integrity, character, sound and independent judgment, experience, and business acumen. Directors are expected to bring these skills to their role as a director and apply them to help the Board of Directors make wise decisions and provide informed counsel to executive Management.

The HRC&GC Committee has developed a competency matrix, based on knowledge areas and types of expertise to identify any gaps to address in the director nomination process and ensure that the skill set developed by directors, through their business expertise and experience, meets the needs of the Board of Directors. Furthermore, McCoy Global values diversity including gender, age, ethnicity, business experience, professional expertise, personal skills, and stakeholder perspectives and believes that such diversity enriches discussions at the Board and executive levels.

The following table identifies some of the current skills and expertise of each nominee for election to the Board of Directors:

	Terry Freeman	Cory Janssen	Jim Rakievich	Alex Ryzhikov	Chris Seaver	John Walker
Board Experience & Corporate Governance	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓
Senior Leadership Experience	✓	✓	✓	✓	✓	✓
International Markets		✓	✓	✓	✓	✓
Digital Technology Application	✓	✓	✓	✓		✓
Mergers & Acquisitions	✓		✓	✓	✓	✓
Business Operations	✓	✓	✓	✓	✓	✓
Energy Services Industry Expertise	✓	✓	✓		✓	✓
International Energy Experience			✓		✓	✓
Human Resources	✓	✓	✓	✓		✓
Finance & Accounting	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Legal & Regulatory	✓		✓	✓	✓	✓
Investor Relations	✓		✓	✓	✓	✓

### 3. Financial Statements

The Board has approved the audited comparative consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020 and December 31, 2019, copies of which were posted on SEDAR at [www.sedar.com](http://www.sedar.com) on March 17, 2021. Financial information related to the Corporation for the year ended December 31, 2020 is provided in these financial statements and the related Management's Discussion and Analysis.

### 4. Appointment and Remuneration of Auditors

The shareholders will be asked to vote for the re-appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation. **Unless directed otherwise by a proxyholder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing PricewaterhouseCoopers LLP, Chartered Accountants, of Edmonton, Alberta, as auditors for the Corporation for the ensuing year,** to hold office until the close of the next annual general meeting of shareholders or until the firm of PricewaterhouseCoopers LLP, Chartered Accountants, is removed from office or resigns as provided by law or by the Corporation's by-laws, and authorizing the directors to fix the compensation of the auditors.



Management and the Board recommend that Shareholders vote **FOR** the appointment of PricewaterhouseCoopers LP as auditor of the Corporation.

### 5. Approval of Amendments to the Corporation's Stock Option Plan

The shareholders approved the Corporation's Stock Option Plan ("Option Plan") at the meeting of shareholders of the Corporation held on May 19, 2011. In February 2012, the Board amended the Option Plan to include a broker-assisted cashless exercise option and additional information on withholding tax changes. The amendments did not require shareholder or Toronto Securities Exchange ("TSX") approval as per Section 3.09 of the Option Plan. On March 11, 2015, the Board further amended the Option Plan to extend the term of options that may be granted under the Option Plan from up to five (5) years from the date of grant to up to ten (10) years from the date of grant for all options granted on or after March 11, 2015; extend the vesting provisions set out in the Stock Option Agreement attached as Schedule A to the Option Plan from three (3) years to five (5) years such that 20% of the options granted vest in each year; refine the definition of a change of control event and to provide for automatic accelerated vesting of options in such circumstances; and implement certain other changes of a housekeeping nature. These amendments did not require shareholder or TSX approval in accordance with Section 3.09 of the Option Plan and Section 613 of the TSX Company Manual. In conjunction with the Corporation's governance policy review, on April 8, 2021, the Board further amended the Option Plan as set forth in Schedule "A" of this Management Information Circular, and as described below.

The following is a description of the material terms and conditions of the Option Plan, as amended. Under the Option Plan, the Board may, from time to time, grant options to purchase Common Shares to certain officers, key employees and service providers of the Corporation and its operating subsidiaries. Directors of the Corporation (other than the President and CEO of the Corporation in such capacity) do not participate in the Option Plan. The maximum number of Common Shares issuable under the Option Plan, together with all other security-based compensation arrangements of the Corporation (being the Corporation's Restricted Share Plan), is 10% of the Common Shares outstanding from time to time on a non-diluted basis, subject to the following limitations:

- the aggregate number of Common Shares reserved for issuance to any one person under the Option Plan, together with all other security-based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);

- in the aggregate, no more than 10% of the outstanding issue of Common Shares (on a non-diluted basis) may be reserved at any time for insiders under all security-based compensation arrangements of the Corporation, including the Option Plan; and
- the number of securities of the Corporation issued to insiders, within any one-year period, under all security-based compensation arrangements, including the Option Plan, cannot exceed 10% of issued and outstanding Common Shares (on a non-diluted basis).

The exercise price per Common Share shall be fixed by the Board but under no circumstances shall any exercise price at the time of the grant be lower than the closing market price of the Common Shares on the TSX on the last trading day preceding the date of grant. The term of options granted may be up to a (i) ten-year period from the date of grant for all options granted on or after March 11, 2015 or (ii) five-year period from the date of grant for all options granted on or before March 10, 2015. Except as otherwise determined by the Board, an optionee's vested options will expire 90 days after an optionee ceases to act for the Corporation, other than by reason of death or termination for cause. Options of an optionee that has been terminated for cause by the Corporation will expire on the date of termination. In the event of death of an optionee, the optionee's estate shall have 6 months in which to exercise the outstanding vested options.

The Option Plan also includes a provision that should an option expiration date fall within a black out period or within nine business days following a black out period, the expiration date will automatically be extended for ten business days following the end of the blackout period. The Option Plan allows the Board to terminate or discontinue the Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the Option Plan. Amendments to the Option Plan that would be subject to shareholder approval include, but are not limited to, those amendments that would:

- reduce the exercise price of an option held by an insider of the Corporation;
- extend the expiry date of an option held by an insider of the Corporation (subject to such date being extended by virtue of the blackout provision noted above);
- amend the limitations on the maximum number of Common Shares reserved or issued to insiders;
- increase the maximum number of Common Shares issuable pursuant to the Option Plan; or
- amend the amendment provisions of the Option Plan.

Options granted under the Option Plan are non-assignable, except in the case of the death of an optionee, and subject to early termination in the event of death or permanent disability of the optionee or the optionee ceasing to be an officer, employee or consultant of the Corporation or a subsidiary of the Corporation. The Option Plan does not confer upon an optionee any right with respect to continuation of employment with the Corporation nor does it affect in any way the rights of the Corporation or optionee to terminate the relationship between the Corporation and the optionee at any time. The Option Plan contains standard anti-dilution provisions.

In conjunction with the Corporation's governance policy review, on April 8, 2021, the Board further amended the Option Plan to:

- i) Prohibit any kind of financial assistance in the exercise of options;
- ii) Prohibit non-executive directors from participating in the Option Plan;
- iii) Require that options vest over a period of not less than 5 years; and
- iv) Amend the amendment provisions of the Option Plan to update the amendments that require shareholder and TSX approval. Pursuant to the Option Plan as amended April 8, 2021 the Board may be resolution amend the Option Plan

and any Options granted under the Option Plan without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and TSX approval, to:

- a. reduce the exercise price of an option held by an Insider (as defined in the Option Plan) of the Corporation or by any other Participant (as defined in the Option Plan);
- b. extend the expiry date of an option held by an Insider of the Corporation or by any other Participant (subject to such date being extended in respect to blackout periods as specified in the Option Plan);
- c. amend the limitations on the maximum number of Common Shares reserved or issued to Insiders under the Option Plan;
- d. increase the maximum number of Common Shares issuable pursuant to the Option Plan;
- e. make any change to the eligible Participants under the Option Plan which would have the potential of broadening or increasing Insider participation;
- f. amend the Plan to permit a Participant to transfer Options to any person, other than in the case of the death of the Participant; or
- g. amend the amendment provisions of the Option Plan.

The April 8, 2021 Option Plan amendments align with recommended best practice as set out by leading proxy advisory service companies. The amendments to the amendment provisions, as described in item (iv) require both shareholder and TSX approval in accordance with the amendment provisions of the Option Plan and Section 613 of the TSX Company Manual. The Option Plan provides that, where shareholder approval is sought for amendments under a., b., or c. above, the votes attached to Common Shares held directly or indirectly by Insiders benefitting from the amendments will be excluded. The amendments outlined above will be applied prospectively to all future Option awards. The TSX has conditionally approved the amendments to the Stock Option Plan, subject to shareholder approval.

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution approving the amendments to the Corporation's Option Plan, as set forth in Schedule "A" to the Management Information Circular. If this ordinary resolution is not approved, the amendments requiring shareholder approval will not be applicable and the Corporation's existing Restricted Share Plan will continue in effect without those amendments.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the amendments to the Option Plan is as follows:

**"BE IT RESOLVED as an ordinary resolution of the Corporation that:**

- 1. the amendments to the Option Plan of the Corporation in substantially the form set forth in Schedule "A" of the Management Information Circular, be and are hereby approved and adopted; and**
- 2. any one (or more) director or officer of the Corporation is, hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of this ordinary resolution approving the amendments to the Option Plan.** In order for the resolution approving amendments to the Corporation's Option Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or represented by proxy at the Meeting.





Management and the Board recommend that Shareholders vote **FOR** the amendments to the Corporation's Option Plan.

## 6. Approval of Amendment to the Corporation's Restricted Share Plan

The shareholders approved the Corporation's Restricted Share Plan at the meeting of shareholders of the Corporation held on May 10, 2018. In conjunction with the Corporation's governance policy review, on April 8, 2021, the Board further amended the Restricted Share Plan as set forth in Schedule "B" of this Management Information Circular, and as described below.

The Board uses restricted shares issued under the Restricted Share Plan, as well as options issued under the Option Plan, as part of the Corporation's overall executive compensation plan. Since the value of restricted shares increase or decrease with the price of the Common Shares, restricted shares achieve the compensation objective of aligning the interests of executives with those of shareholders. In addition, restricted shares have time-based vesting features that can be used to better motivate executives and to encourage qualified and experienced executives to make long-term commitments to the Corporation.

The following is a description of the material terms and conditions of the Restricted Share Plan, as amended.

- the Corporation's officers, key employees, and consultants, or those of its subsidiaries, are eligible to receive restricted shares under the Restricted Share Plan. Directors of the Corporation (other than the President and CEO of the Corporation in such capacity) do not participate in the Restricted Share Plan;
- in the aggregate, no more than 10% of the outstanding issue of Common Shares (on a non-diluted basis) may be reserved at any time for insiders under all security-based compensation arrangements of the Corporation, being the Option Plan and Restricted Share Plan;
- the aggregate number of Common Shares reserved for issuance to any one person under the Restricted Share Plan, together with all other security-based compensation arrangements of the Corporation (being the Corporation's Option Plan), must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);
- the aggregate number of Common Shares reserved for issuance to insiders under the Restricted Share Plan, together with all other share-based compensation arrangements of the Corporation, must not exceed 10% percent of the then outstanding Common Shares;
- the aggregate number of Common Shares issued to insiders under the Restricted Plan, together with all other share-based compensation arrangements of the Corporation, within a one-year period, must not exceed 10% percent of the then outstanding Common Shares;

Market Price per Common Share shall be determined by the Board but under no circumstances shall any exercise price at the time of the grant be lower than the closing market price of the Common Shares on the TSX on the last trading day preceding the date of grant. Except as otherwise determined by the Board, the shareholder's vested shares will expire 30 days after the shareholder ceases to act for the Corporation, other than by reason of death or termination for cause. In the event of death of a shareholder, the estate shall have 3 months in which to exercise the outstanding vested shares.

The Restricted Share Plan also includes a provision that should a restricted share expiration date fall within a black out period, the expiration date will automatically be extended for ten business days following the end of the blackout period. If the expiry date of a restricted share falls within five business days immediately after the blackout period ends, the ten business day extension, as applicable, shall be reduced by the number of days between the original expiry date and the date the blackout period ends.

The Restricted Share Plan allows the Board to terminate or discontinue the Restricted Share Plan at any time without the consent of the shareholders provided that such termination or discontinuance shall not alter or impair any restricted shares previously granted under the Restricted Share Plan.

Restricted shares under the Restricted Plan are non-assignable, except in the case of the death of the shareholder, and subject to early termination in the event of death or permanent disability of the shareholder or the shareholder ceasing to be an officer, employee or consultant of the Corporation or a subsidiary of the Corporation.

In conjunction with the Corporation's governance policy review, on April 8, 2021, the Board further amended the Restricted Share Plan to:

- i) Prohibit non-executive directors from participating in the Restricted Share Plan;
- ii) Require that restricted shares vest over a period of not less than 3 years; and
- iii) Amend the amendment provisions of the Restricted Share Plan to update the amendments that require shareholder and TSX approval. Pursuant to the Restricted Share Plan as amended April 8, 2021 shareholder approval will be required, in accordance with the policies of the TSX, in order for the Corporation to:
  - a. modify or amend the terms of restricted shares, including those previously granted, including the re-pricing of any restricted shares and the extension of the exercise period for any restricted shares except as otherwise permitted by the Restricted Share Plan;
  - b. make any change to the eligible Participants (as defined in the Restricted Share Plan) under the Restricted Share Plan which would have the potential of broadening or increasing Insider (as defined in the Restricted Share Plan) participation;
  - c. increase the number of Common Shares issuable pursuant to the Restricted Share Plan;
  - d. amend the Restricted Share Plan to extend the expiry date of restricted shares granted under the Restricted Share Plan;
  - e. amend the Restricted Share Plan to permit a Participant to transfer restricted shares to any person, other than in the case of the death of the Participant;
  - f. amend the amendment provision of the Restricted Share Plan; or
  - g. make any other amendment required to be approved by shareholders under applicable law or rules of the TSX.

The April 8, 2021 Restricted Share Plan amendments align with recommended best practice as set out by leading proxy advisory service companies. The amendments to the amendment provisions of the Restricted Share Plan, as described in item (iii), require both shareholder and TSX approval in accordance with the amendment provisions of the Restricted Share Plan and Section 613 of the TSX Company Manual. The amendments outlined above will be applied prospectively to all future Restricted Share Plan awards. The TSX has conditionally approved the amendments to the Restricted Share Plan, subject to shareholder approval.

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution approving the amendments to the Corporation's Restricted Share Plan, as set forth in Schedule "B" to the Management Information Circular. If this ordinary resolution is not approved, the amendments requiring shareholder approval will not be applicable and the Corporation's existing Restricted Share Plan will continue in effect without those amendments.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the amendments to the Restricted Share Plan is as follows:

**"BE IT RESOLVED as an ordinary resolution of the Corporation that:**

- 1. the amendments to the Restricted Share Plan of the Corporation in substantially the form set forth in Schedule "B" of the Management Information Circular, be and are hereby approved and adopted; and**
- 2. any one (or more) director or officer of the Corporation is, hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of this ordinary resolution approving the amendments to the Restricted Share Plan.** In order for the resolution approving amendments to the Corporation's Restricted Share Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or represented by proxy at the Meeting.



Management and the Board recommend that Shareholders vote **FOR** the amendments to the Corporation's Restricted Share Plan.

## **7. Approval of Unallocated Options under the Corporation's Option Plan**

At the Meeting, shareholders of the Corporation will be asked to approve the unallocated options under the Option Plan as originally approved by the Corporation's shareholders on May 19, 2011 and as amended on February 9, 2012, May 22, 2014, March 11, 2015, November 8, 2017, and April 8, 2021. The Option Plan provides that ten percent (10%) of the issued and outstanding Common Shares of the Corporation, less any Restricted Shares reserved for issuance under the Corporation's Restricted Share Plan, can be reserved for issuance under the Option Plan rather than a fixed maximum number of Common Shares. The TSX requires a majority of the shareholders of the Corporation to approve, every three years, the unallocated options under the Option Plan.

The number of unallocated options under the Option Plan is calculated by subtracting the sum of the number of outstanding options and the number of outstanding restricted shares at any given time from the number that represents 10% of the issued and outstanding Common Shares at that time. As of April 15, 2021, (i) 27,809,989 Common Shares were issued and outstanding; (ii) options to purchase 1,670,000 Common Shares (equal to approximately 6.0% of the issued and outstanding Common Shares) were outstanding under the Option Plan; and (iii) restricted shares to receive 410,000 Common Shares (equal to approximately 1.5% of the issued and outstanding Common Shares) were outstanding under the Restricted Share Plan, such that, in aggregate entitlements (being options and restricted shares) to 2,080,000 Common Shares (equal to approximately 7.5% of the issued and outstanding Common Shares) were outstanding. Accordingly, as at April 15, 2021, on a combined basis, a total of 708,499 Common Shares (equal to approximately 2.5% of the outstanding Common Shares) were available for future grants of entitlements under either the Option Plan or the Restricted Share Plan.

Approval is being sought at the Meeting to approve the unallocated options under the Option Plan. If approval is obtained, the Corporation will be required to seek further approval of unallocated options under the Option Plan by no later than the annual meeting of shareholders of the Corporation held in 2024. If approval is not obtained, options outstanding at the date of the Meeting will continue unaffected. However, if approval is not obtained, the Corporation will be prohibited from making any further grants of options under the Option Plan and any options that expire or terminate prior to the exercise thereof will not be available for re-grant until such time as the requisite shareholder approval is obtained.

In accordance with the requirements of the TSX, approval of the unallocated options under the Option Plan requires shareholder approval every three years. Such shareholder approval must be obtained by a majority of the votes cast at a meeting of the shareholders. The Board of Directors has unanimously approved the unallocated options under the Option Plan.

At the Meeting, the shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving the unallocated options under the Option Plan.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the unallocated options under the Option Plan is as follows:

**“BE IT RESOLVED as an ordinary resolution of the Corporation that:**

- 1. all unallocated options under the Option Plan of the Corporation, as amended from time to time, are hereby approved and authorized, which approval shall be effective until no later than June 1, 2024; and**
- 2. any one (or more) director or officer of the Corporation is, hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of this ordinary resolution approving the unallocated options.** In order for the resolution approving the unallocated options under the Corporation’s Option Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or represented by proxy at the Meeting.



Management and the Board recommend that Shareholders vote **FOR** the approval of unallocated options under the Corporation’s Option Plan.

## **8. Approval of Unallocated Restricted Shares under the Corporation’s Restricted Share Plan**

At the Meeting, shareholders of the Corporation will be asked to approve the unallocated restricted shares under the Restricted Share Plan as originally approved by the Corporation’s shareholders on May 10, 2018 and amended on April 8, 2021. The Restricted Share Plan provides that the maximum number of Common Shares issuable pursuant to the Restricted Share Plan, together with all other share-based compensation arrangements of the Corporation (being the Corporation’s Option Plan), is a “rolling” maximum equal to 10 percent of the total outstanding Common Shares on a non-diluted basis. The TSX requires a majority of the shareholders of the Corporation to approve, every three years, the unallocated restricted shares under the Restricted Share Plan.

The number of unallocated restricted shares under the Restricted Share Plan is calculated by subtracting the sum of the number of outstanding options and the number of outstanding restricted shares at any given time from the number that represents 10% of the issued and outstanding Common Shares at that time. As of April 15, 2021, (i) 27,809,989 Common Shares were issued and outstanding; (ii) options to purchase 1,670,000 Common Shares (equal to approximately 6.0% of the issued and outstanding Common Shares) were outstanding under the Option Plan; and (iii) restricted shares to receive 410,000 Common Shares (equal to approximately 1.5% of the issued and outstanding Common Shares) were outstanding under the Restricted Share Plan, such that, in aggregate entitlements (being options and restricted shares) to 2,080,000 Common Shares (equal to approximately 7.5% of the issued and outstanding Common Shares) were outstanding. Accordingly, as at April 15, 2021, on a combined basis, a total of 708,499 Common Shares (equal to approximately 2.5% of the outstanding Common Shares) were available for future grants of entitlements under either the Option Plan or the Restricted Share Plan.

Approval is being sought at the Meeting to approve the unallocated restricted shares under the Restricted Share Plan. If approval is obtained, the Corporation will be required to seek further approval of unallocated Restricted Shares under the Restricted Share Plan by no later than the annual meeting of shareholders of the Corporation held in 2024. If approval is not obtained, restricted shares outstanding at the date of the Meeting will continue unaffected. However, if approval is not obtained, the Corporation will be prohibited from making any further grants of restricted shares under the Restricted Share

Plan and any restricted shares that expire or terminate prior to the exercise thereof will not be available for re-grant until such time as the requisite shareholder approval is obtained.

In accordance with the requirements of the TSX, approval of the unallocated restricted shares under the Restricted Share Plan requires shareholder approval every three years. Such shareholder approval must be obtained by a majority of the votes cast at a meeting of the shareholders. The Board of Directors has unanimously approved the unallocated restricted shares under the Restricted Share Plan.

At the Meeting, the shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving the unallocated restricted shares under the Restricted Share Plan.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the unallocated restricted shares under the Restricted Share Plan is as follows:

**“BE IT RESOLVED as an ordinary resolution of the Corporation that:**

- 1. all unallocated restricted shares under the Restricted Share Plan of the Corporation, as amended from time to time, are hereby approved and authorized, which approval shall be effective until no later than June 1, 2024; and**
- 2. any one (or more) director or officer of the Corporation is, hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of this ordinary resolution approving the unallocated restricted shares.** In order for the resolution approving the unallocated restricted shares under the Restricted Share Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or represented by proxy at the Meeting.



Management and the Board recommend that Shareholders vote **FOR** the approval of unallocated restricted shares under the Corporation’s Restricted Share Plan.

## 9. Other Business

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment(s) thereof, in accordance with the discretion of the persons authorized to act thereunder.**

## Compensation Discussion & Analysis

### 1. Human Resources, Compensation & Governance Committee

In 2018, the Corporation's Human Resources and Compensation Committee and Governance Committee were amalgamated as the Human Resources, Compensation & Governance Committee ("the HRC&G Committee").

One of the mandates of the HRC&G Committee is to assist the Board of Directors in fulfilling its oversight responsibilities including the following:

- Appointment, performance, and compensation of the CEO;
- Compensation structure and succession planning for key executive positions; and
- Provision guidance on the Corporation's People and Culture strategy and alignment with the overall strategic plan of the Corporation.

In addition, the Board of Directors, with oversight by the HRC&G Committee, assesses risk associated with executive compensation by actively reviewing compensation design and compensation decision making processes. The Board, through the HRC&G Committee's workplan and charter, assess and determine risk and risk level related to compensation programs embedded in the business model as well as any short-term compensation gain for executives that may create excessive risk to the Corporation.

The HRC&G Committee is satisfied that:

- The Corporation's policy and plans on compensation do not encourage any Named Executive Officer (NEO) or employee who is in a senior management or leadership position to take inappropriate or excessive risks; and
- There were not any identified risks arising from the Corporation's compensation plans or policies that would have had any negative or material impact on the Corporation.

The Corporation's compensation practices and plans are aligned with the overall business strategy and are designed in accordance with progressive people and culture practices that are focused on engagement, retention, and performance.

Further information on the HRC&G Committee and its membership is available under the Statement of Corporate Governance Practices in this Management Information Circular.

## 2. Compensation of Directors

As at the Effective Date, the Corporation has six directors, of which four are considered to be independent directors. National Instrument 58-101 provides that a director is independent if he or she would be independent within the meaning of Section 1.4 of National Instrument 52-110.

The Corporation's director compensation program is designed to address the following:

- Complexity                      The complexity of the Corporation
- Competitiveness              Attracting and retaining knowledgeable and skilled directors is a challenge in today's economic climate
- Accountability                Increasing public and shareholder demands creates more accountability, governance, and responsibility
- Contribution                 The contribution made by the director in time and expertise
- Growth                         The organization has a strategy emphasizing growth

### Director Compensation Highlights

As a direct response to the economic impact of the COVID-19 pandemic, including the significant decrease in oil and gas consumption globally and accompanying decline in oil and gas prices, the Board of Directors voluntarily reduced both their annual retainers and meeting participation fees by 25%, effective May 1, 2020. As at April 15, 2021 the reductions remain in effect.

### Annual Retainers and Board Meeting Fees

Annual retainers and Board meeting fees are presently paid to the members of the Board of Directors who are independent directors of the Corporation on the following basis:

	Stated Annual Retainer	Reduced Annual Retainer
	\$	\$
Board Chair	50,000	37,500
Director, other than Board Chair	30,000	22,500
Committee Chair		
- Audit	8,000	6,000
- Human Resources Compensation & Governance	8,000	6,000
Committee Member		
- Audit	7,000	5,250
- Human Resources Compensation & Governance	7,000	5,250

	Stated Meeting Participation Fee	Reduced Meeting Participation Fee
	\$	\$
Board Meeting	1,000	750
Audit Committee Meeting	1,200	900
Human Resources, Compensation & Governance	1,000	750

Executive officers of the Corporation who also act as directors of the Corporation did not receive any compensation for services rendered solely in their capacity as directors, other than as paid to them in their capacity as executive officers. Directors who are US residents are compensated in US dollars. Total cash remuneration earned by non-management directors of the Corporation in their capacity as directors from January 1, 2020 until December 31, 2020 was \$257,655. The Corporation also reimburses directors for related travel and out-of-pocket expenses incurred in the course of carrying out their duties as directors.

### Directors' Deferred Share Unit Plan

The Corporation has adopted a deferred share unit ("DSU") plan for its independent directors. The DSU plan has two components: an "appointment grant" and a "continuous grant". The appointment grant is provided to each newly appointed director. The number of DSUs issued for the appointment grant is equivalent to \$50,000, at the time of the grant. The appointment grant fully vests on the third anniversary of the grant date. The continuous grant provides for an annual issue of DSUs to eligible directors. The number of DSUs issued for the continuous grant is equivalent to \$7,500, at the time of the grant. One-third of the continuous grant vests annually on the anniversary of the grant date. On the date the participant ceases to be a director of the Corporation, the participant is paid a cash amount equal to the product obtained by multiplying the number of vested DSUs by the volume weighted average closing price of the Common Shares on the Toronto Stock Exchange for the 20 trading days prior to such date. The DSU plan is a cash plan.

### Total Compensation of Outside Directors

The table below reflects in detail the total compensation earned by the independent directors during the fiscal year ended December 31, 2020:

	Fees Earned		Share-based Awards <sup>(1)(3)</sup>	Option-based Awards <sup>(2)</sup>	Non-Equity Incentive Plan Compensation	Total
	Retainer (\$)	Meeting Participation (\$)	(\$)	(\$)	(\$)	(\$)
Terry D. Freeman	39,375	9,325	7,500	-	-	56,200
Carmen Loberg	39,375	9,325	7,500	-	-	56,200
Christopher T. Seaver	43,750	6,125	7,500	-	-	57,375
Dale E. Tremblay	38,500	9,325	7,500	-	-	55,325
William J. Walker <sup>(4)</sup>	47,948	14,607	7,500	-	-	70,055

(1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, stock options, share appreciation rights and similar instruments that have option-like features.



- (3) Amounts shown are the DSUs granted under the terms of the Directors' Deferred Share Unit Plan and the fair value has been determined by the Board of Directors' intended value on grant date. The value of the continuous grant is currently equivalent to \$7,500, at the time of the grant.
- (4) Directors who are residents of the United States are compensated in US dollars for fees earned. US dollar amounts have been converted to Canadian dollars at the average exchange rate in effect for the fiscal year (2020 – 1.3412)

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all option-based awards and share-based awards outstanding for independent directors who are not also NEOs as at the most recent financial year end, including awards granted before the most recently completed financial year.

	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options(#)	Option Exercise Price(\$)	Option Expiry Date	Value of Unexercised In-The-Money Options(\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested (\$) <sup>(1)</sup>	Market or Payout Value of Share-based Awards not Paid Out or Distributed (\$) <sup>(1)</sup>
Terry D. Freeman	-	-	-	-	25,371	12,178	31,174
Carmen Loberg	-	-	-	-	25,371	12,178	21,123
Christopher T. Seaver	-	-	-	-	25,371	12,178	19,872
Dale E. Tremblay	-	-	-	-	25,371	12,178	15,865
William J. Walker	-	-	-	-	92,229	44,270	-

- (1) The market value of the DSUs was calculated using the market value of the Common Shares as at December 31, 2020 (\$0.48).

The following table sets forth the value of option-based awards and share-based awards that vested or were earned during the most recently completed financial year for independent directors of the Corporation.

	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation – Value Earned during the Year (\$)
Terry D. Freeman	-	3,767	n/a
Carmen Loberg	-	3,767	n/a
Christopher T. Seaver	-	3,767	n/a
Dale E. Tremblay	-	3,767	n/a
William J. Walker	-	-	n/a

- (1) The figures in this column are based on multiplying the number of DSUs by the market value of underlying shares on the vesting date.

The significant terms of the Option Plan and the DSU plan are disclosed in this Management Information Circular under "Securities Authorized for Issuance under Equity Compensation Plans" and "Directors' Deferred Share Unit Plan", respectively.

### 3. Compensation of Executive Officers

#### Compensation Philosophy and Objectives

The Board of Directors' philosophy on total rewards is to ensure that the Corporation's executives are rewarded for achievement of the Corporation's strategic plan and financial results. In addition, executive compensation at the Corporation is established based on individual contribution and performance, relevant external labour markets and the following principles:

- Aligning executive goals to the interests of the organization and shareholders;
- Motivating and rewarding executives to exceed business objectives, performance, and growth; and
- Providing for the attraction and retention of superior executive talent.
- Supports the health and well-being of the executive team members

#### Executive Compensation Highlights

- As a direct response to the economic impact of the COVID-19 pandemic, including the significant decrease in oil and gas consumption globally and accompanying decline in oil and gas prices, the Executive voluntarily reduced their base compensation effective May 1, 2020. As at April 15, 2021 the reductions remain in effect. The President & CEO's base compensation was reduced by 25%, while the base compensation of other Executives was reduced by 20%.
- In response to the prolonged down-cycle and continued suppression of oil and natural gas prices and drilling activity, the Executive Officers elected to:
  - Implement a reduction in base their compensation of 4.62% in the second quarter of 2016 and continued in effect until the third quarter of 2017. The reduction was re-implemented on January 1, 2018 and continued until July 1, 2018;
  - Suspend any annual bonus or short-term incentive plan ("STIP") awards accruing for the years ended December 31, 2016 to present in response to the prolonged down-cycle and continued suppression of oil and natural gas prices and drilling activity; and
  - Suspend the Corporation's retirement savings plan matching contributions effective January 1, 2016 to present.
- The Corporation does not:
  - Provide "single-trigger" change-of control cash payments;
  - Allow repricing of underwater options;
  - Provide excessive perquisites
- The Corporation has adopted a clawback policy as follows:

*"The board of directors ("Board") of McCoy Global Inc. ("McCoy" or the "Company") has set forth this clawback policy (the "Policy") which specifies the consequences with respect to incentive awards in the event of negligence, fraud or willful misconduct resulting in a restatement of the Company's financial statements. This Policy provides that where there is a restatement of the financial results of the Company for any reason other than a restatement caused by a change in applicable accounting rules or interpretations, and, in connection with such restatement an executive officer engaged in negligence, fraud or willful misconduct, the Board or the Human Resources, Compensation & Governance Committee ("HRCGC") may: (a) require that the executive officer return or repay to the Company, or*

*reimburse the Company for, all or part of the after-tax portion of any excess compensation; and/or (b) cause all or part of any awarded and unpaid or unexercised performance-based compensation (whether vested or unvested) that constitutes excess compensation for such executive officer to be cancelled.*

*For purposes of this Policy, "excess compensation" means the difference between the amount or value of any performance-based compensation actually paid or awarded to an executive officer and the amount or value that would have been paid or awarded as calculated or determined based on the financial statements of the Company as restated. "Performance-based compensation" includes all bonuses and other incentive compensation that is paid or awarded to any executive officer based in whole or in part on the application of performance criteria or financial metrics measured during the applicable period preceding the applicable restatement as determined by the Board or the HRCGC, and includes incentive compensation awarded or paid in any form, including cash or equity-based, whether vested or unvested."*

### Compensation Elements and Positioning

Executive total compensation is defined as base pay, annual bonus program or STIP, and equity incentive or long-term incentive plan ("LTIP"). The combination of these elements, specifically the STIP and LTIP, provide the executive with reward for the successful execution of the Corporation's strategic plan.

### Benchmarking Practices

The Corporation uses publicly available salary information to form the base comparison and review of executive compensation.

### Base Salary

Base salaries for identified executive positions are targeted at the median or average base of the established comparator group. The Corporation conducts periodic reviews of organizations, of the target market, to identify the appropriate base salary for identified positions. Actual base salary for the executives is tied to the position's scope in the organization, overall competency, position complexity, performance, and retention risk.

### Non-Equity Incentives

While the Board wants to ensure the Corporation's executives receive fair base pay compensation, greater emphasis is placed on variable rewards, both STIP and LTIP, to motivate short and long-term results.

Annual bonus payouts have assigned maximums based on a percentage of salary specific to the executive's position with the Corporation. The Corporation's Board of Directors and executive management elected to suspend any STIP payments for the years ended December 31, 2018, 2019 and 2020 in response to the prolonged down-cycle and continued suppression of oil and natural gas prices and drilling activity.

Position	Maximum Bonus as a Percentage of Salary	Voluntarily Elected Bonus as a Percentage of Salary
President & Chief Executive Officer	125%	0%
Vice President, Marketing & Technology	100%	0%
Vice President & Chief Financial Officer	100%	0%

Historically, annual bonus was measured by a combination of financial measures and individual objectives.

The financial measure component of STIP included:

- Net earnings as a percentage of revenue;
- Adjusted EBITDA (net earnings (loss), before depreciation of property, plant and equipment; amortization of intangible assets; income tax expense (recovery); finance charges, net; provisions for excess and obsolete inventory; other losses (gains), net; restructuring charges; share-based compensation; and impairment losses) as a percentage of revenue; and
- Return on invested capital.

The amount of the STIP award for each financial measure was then determined based on actual financial performance by the Corporation, up to a maximum award for any individual financial measure.

### **Equity Incentives**

Equity incentives, namely the LTIP, are established as a component of total compensation and are designed to align the executives with the longer-term interests of the Corporation and the shareholders. The LTIP provides the executive with the opportunity for additional compensation based on achieving the long-term strategy and growth of the Corporation. The LTIP consists of the corporation stock option and restricted share plan.

The Corporation emphasizes stock options and restricted shares in executive compensation as they allow executive officers to share in positive corporate results. The President & Chief Executive Officer recommends to the Board stock options and restricted shares proposed to be granted to other employees. As part of its review of executive compensation the HRC&G Committee recommends to the Board stock options and restricted shares proposed to be granted to executives. In this review, previous grants of stock options and restricted shares are considered when recommending new grants.

The HRC&G Committee, with approval of the Board, established a stock option plan in 2011. The Board has the authority to amend or discontinue the stock option plan. On March 11, 2015, the Board adopted a policy such that, beginning in fiscal 2015, there will no longer be automatic annual grants of stock options to executives. Rather, stock options will be granted to the executives of the Corporation at the discretion of the Board. No stock options were granted to the Executive in 2020.

The HRC&G Committee, with approval of the Board, established a restricted share plan in 2018. The Board has the authority to amend or discontinue the restricted share plan.

## Summary of Executive Compensation

The following table summarizes the total compensation paid to individuals who were acting as, or were acting in a capacity similar to, a Chief Executive Officer or Chief Financial Officer and the three most highly compensated executive officers whose total compensation exceeded \$100,000 per annum (the "Named Executive Officers") during the financial year ended December 31, 2020, including their respective total compensation acting as an executive officer during the financial years ended December 31, 2019 and December 31, 2018.

Name and Principal Position <sup>(7)</sup>	Year	Salary (\$)	Non-Equity Incentive Plan Compensation (STIP) (\$)	Equity Incentive Plan Compensation (LTIP) (\$)		All Other Compensation (\$) <sup>(2)</sup>	Total Compensation (\$)
				Option-based Awards (\$) <sup>(1)</sup>	Restricted Share Plan Awards (\$) <sup>(3)</sup>		
Jim Rakievich	2020	350,000			-	38,534	414,931
President & Chief Executive Officer	2019	400,000	-	87,600	-	95,000	586,600
	2018	375,385	-	-	174,000	104,083	653,468
Lindsay McGill <sup>(4)</sup>	2020	188,346			14,500	23,744	212,090
Vice President & Chief Financial Officer	2019	207,500	-	54,750	-	29,360	291,610
	2018	59,058	-	35,400	-	12,766	107,224
Bing Deng <sup>(5)</sup>	2020	181,539			14,500	25,513	207,052
Vice President Marketing & Technology	2019	200,769	-	54,750	-	35,038	290,557
	2018	187,692	-	35,400	124,700	49,863	397,655

- (1) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, stock options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the Common Share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.
- (2) "All Other Compensation" is defined as allowances and the employer contributions of the Corporation's Retirement Savings Plan, ESPP and benefits. For more details please see "Other Forms of Compensation" in this Management Information Circular.
- (3) Restricted Share Plan award is calculated using restricted share units granted multiplied by the share price on the issuance date.
- (4) Ms. McGill was appointed Vice President & Chief Financial Officer effective September 4, 2018.
- (5) Mr. Deng was appointed Vice President, Sales & Marketing effective March 1, 2018. Mr. Deng was appointed Vice President, Marketing & Technology effective January 1, 2020.

## Outstanding Option-Based Awards

The following table sets forth details of all option-based awards outstanding for NEOs as at the most recent financial year end:

Option-based Awards				
Name	Number of Securities Underlying Unexercised Options(#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>(1) (2)</sup>
Jim Rakievich	200,000	3.74	March 17, 2025	-
President & Chief Executive Officer	150,000	1.88	March 18, 2026	-
	75,000	2.05	January 6, 2027	-
	200,000	0.65	December 12, 2029	-
Lindsay McGill	75,000	1.10	December 11, 2028	-
Vice President & Chief Financial Officer	125,000	0.65	December 10, 2029	-
Bing Deng	50,000	1.88	March 18, 2026	-
Vice President, Marketing & Technology	25,000	2.05	January 6, 2027	-
	75,000	1.10	December 11, 2028	-
	125,000	0.65	December 10, 2029	-

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2020, being \$0.60 per Common Share, and the exercise price of the options.

## Incentive Plan Awards

The following table sets forth the value of option-based awards that vested or were earned during the most recently completed financial year for NEOs.

Name	In-The-Money Option-based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Jim Rakievich, President & Chief Executive Officer	-	-
Lindsay McGill, Vice President & Chief Financial Officer	-	-
Bing Deng, Vice President, Marketing & Technology	-	-

(1) The figures in this column are based on the difference between the market price of the options at the vesting dates and the exercise price. Figure excludes options where no value was created on vesting date.

## **Other Forms of Compensation**

### *Benefits and Allowances*

The Corporation's executive officers may choose to participate in the Corporation's employee benefit program which includes extended health care, dental, life and disability insurance. A portion of the costs of the premiums are paid by the employee and a portion of the premium costs are paid by the Corporation. In addition, the executive officers receive a spending account, to a maximum of \$5,000 in accordance with applicable laws and regulations.

The Corporation provides the executive officers a vehicle allowance to assist with travel expenses incurred during the normal course of business operations. These benefits and allowances are designed to be competitive with equivalent positions comparable in the targeted industry.

### *Retirement Benefits*

The Corporation's executive officers are eligible to participate in the Corporation's retirement savings plan. Under the plan the Corporation matches 100% of the participant's contributions to a maximum of 3.0% of base salary. These programs are available to all regular full-time employees at the same contribution levels. The other executive officers may contribute up to an additional 2% of base salary, above the Corporation's employee plans, to a maximum of 5.0% of base salary and the Corporation matches this amount to a company maximum of 5.0%, or the annual maximum in accordance with applicable laws and regulations.

A retirement savings program has been designed for Jim Rakievich providing for a company contribution of 10% of base salary with Mr. Rakievich contributing 2.5%. For contributions in excess of the maximum retirement savings plan amounts, as defined by the applicable laws and regulations, the Corporation funds a retirement compensation arrangement (RCA).

For 2016 through 2019, the Corporation suspended its matching contribution, with the exception of Mr. Rakievich's RCA.

The Corporation does not have a registered pension plan, or a deferred compensation plan for its executive officers.

### *Employee Share Purchase Plan*

Under the Corporation's Employee Share Purchase Plan ("ESPP"), the Corporation matches a portion of the participant's contributions to a maximum of 2.0% of base salary. The Corporation's matching obligation is dependent on the employee's contribution years in the plan: less than one year a 33% match; between one and three years a 67% match; between four and seven years a 100% match; and greater than eight years a 133% match. This program is available to all regular full-time employees and may, if available, be directed to: a non-registered account; a registered retirement savings plan account; or a registered tax-free savings account. The amounts are considered vested immediately, however the employee is restricted from accessing the Corporation's matching amount for 12 months following the purchase. In addition, the plan 'penalizes' transfers or withdrawals prior to 5 years' service in the plan and every five years thereafter. Any transfer or withdraw of Common Shares from the plan will result in the matching level being reset to the 33%.

Notwithstanding the above, the Board requires the Corporation's executive officers to contribute 5.0% to the ESPP. The Corporation matches this amount according to the contribution years in the plan. Matching contributions are not made by issuing shares from treasury.

*Termination and Change of Control Agreements*

The employment agreement for all NEOs provides for severance in the event of termination without cause or permanent disability. The severance amount is the greater of a one-time lump sum amount equal to twelve (12) months' notice plus one additional month of notice for each complete year of service after 12 complete years of service, to a maximum of eighteen (18) months' notice, or pay in lieu of that notice, calculated as follows: (i) the applicable number of month's annual base salary; (ii) an amount equal to twenty (20%) percent of the base salary to compensate for loss of benefits and perquisites; (iii) an amount equal to the average of the three (3) years' STIP payments or an amount equal to 50% of the annual base salary, whichever is greater; and (iv) an amount equal to the STIP payment earned (if any) for the fiscal year in which the termination date occurs, pro-rated as of the termination date and paid after the end of the relevant fiscal year per policy. The employment agreement also contains a change in control clause, defined as one of the following events occurring: (i) a transaction or series of transactions resulting in the sale, transfer, conveyance, lease or exchange by the Corporation of all or substantially of its assets; (ii) the acceptance by the Corporation's shareholders of any offer, whether by way of a takeover bid or otherwise, representing in the aggregate fifty percent (50%) or more of all of the issued and outstanding Shares; (iii) a transaction or series of transactions resulting in the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, which together with such person's then-owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights) fifty percent (50%) or more of the combined voting rights attached to the then-outstanding Shares; (iv) the entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation which is not an affiliate (as defined under applicable securities laws) of the Corporation; (v) the circumstances in which individuals who were members of the Board of Directors immediately prior to a meeting of the shareholders involving a contest for the election of directors no longer constitute a majority of the Board at any time within the subsequent twelve (12) months following such meeting; or (vi) such other transaction or series of transactions which the Board of Directors, acting reasonably, by resolution deems to be a Change of Control Event. For a period of twelve months following a change of control event, if the Corporation terminates any NEO employment without cause or a NEO terminates their employment for "Good Reason", the NEO is entitled to the severance pay as above.

The following table summarizes the benefits for all NEOs:



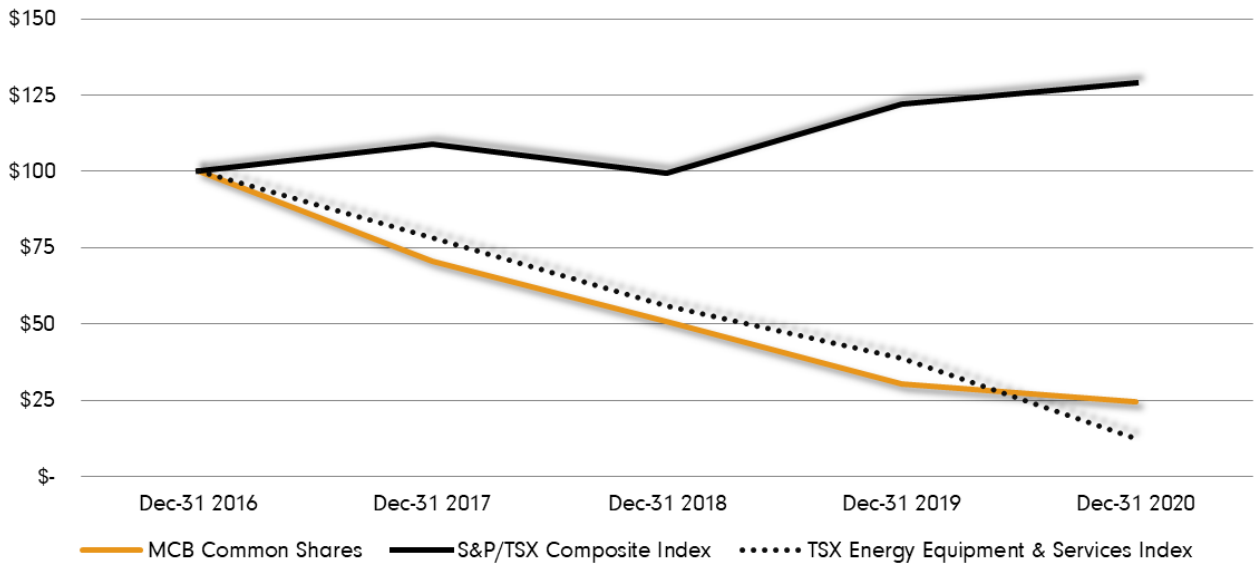
Type of Termination or Change of Control	Base Salary	Short-Term Incentive Plan	Benefits
Resignation	None	None	None
Termination by Employer (involuntary, not for cause)	Base salary is paid out as a one-time lump sum amount equal to twelve (12) months' notice plus one additional month of notice for each complete year of service after twelve (12) complete years of service, to a maximum of eighteen (18) months' notice	Payment equal to the average of the three (3) years' STIP payments or an amount equal to 50% of the annual base salary, whichever is greater; and an amount equal to the STIP payment earned (if any) for the fiscal year in which the termination date occurs, prorated as of the termination date and paid after the end of the relevant fiscal year	Payment equal to twenty (20%) percent of the base salary to compensate for loss of benefits and perquisites
Termination for cause	None	None	None
Change in Control	Consistent terms to that of involuntary termination if termination for "Good Reason" occurs within twelve (12) months from the date of change in control	Consistent terms to that of involuntary termination if termination for "Good Reason" occurs within twelve (12) months from the date of change in control	Consistent terms to that of involuntary termination if termination for "Good Reason" occurs within twelve (12) months from the date of change in control

The following table illustrates the total severance payable for each NEO if termination occurred on December 31, 2020:

Name	Base Salary Lump Sum Payment (\$)	Short-term Incentive Plan Payment (\$)	Loss of Benefits Payment (\$)	Total Severance Payment (\$)
Jim Rakievich President & Chief Executive Officer	600,000	200,000	80,000	880,000
Lindsay McGill Vice President & Chief Financial Officer	207,500	103,750	41,500	352,750
Bing Deng Vice President, Marketing & Technology	200,000	100,000	40,000	340,000

#### 4. Performance Graph

The following graph compares cumulative shareholder return commencing on December 31, 2016 and ending on December 31, 2020 (assuming a \$100 investment was made on December 31, 2015) with the cumulative total return of S&P/TSX Composite Index and TSX Energy Equipment and Services Index. This assumes all dividends paid by the Corporation were re-invested in the Corporation's Common Shares.



## Securities Authorized for Issuance under Equity Plans

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2020:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Outstanding Securities Reflected in Column 1)
Equity compensation plans approved by security holders, including both the Stock Option Plan and the Restricted Share Plan	2,080,000 Common Shares	\$1.43 per Common Share	708,499 Common Shares
Equity compensation plans not approved by security holders	Nil	-	Nil
Total	2,080,000 Common Shares	\$1.43 per Common Share	708,499 Common Shares
Total as a percentage of issued and outstanding common shares	7.48%	-	2.52%

The following table sets forth the annual burn rate of the Corporation's stock options over the past three fiscal years:

Burn rate <sup>(1)</sup>	2020	2019	2018
Burn rate	0.04%	2.82%	0.50%

(1) Burn rate is calculated as at December 31, 2020 by dividing the number of awards granted under the arrangement during the applicable fiscal year by the average number of shares outstanding for the applicable fiscal year. The following table sets forth the annual burn rate of the Corporation's restricted shares over the past three fiscal years:

Burn rate <sup>(2)</sup>	2020	2019	2018
Burn rate	1.48%	-%	1.80%

(2) Burn rate is calculated as at December 31, 2020 by dividing the number of restricted granted under the arrangement during the applicable fiscal year by the average number of shares outstanding for the applicable fiscal year.

## Statement of Corporate Governance Practices

Corporate Governance Practices relates to the activities of the Board, the members of which are elected and are accountable to the Corporation's shareholders, and take into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board and senior management considers good corporate governance to be central in the effective and efficient operation of the Corporation.

Pursuant to the provisions of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") issuers are required to disclose their corporate governance practices annually and provide guidance on corporate governance practices respectively. The Board has reviewed its practices relative to the new guidelines and offers the following summary.

### 1. Board of Directors

Pursuant to NI 58-101, a director is independent if the director would be considered independent within the meaning contained in section 1.4 of National Instrument 52-110 ("NI 52-110") which states that a director is independent if he or she has no direct or indirect relationship with the Corporation which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

As at the Effective Date, the Board is comprised of seven (7) directors, six (6) of whom the Board has determined are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to the factors described in NI 52-110. Eighty-six percent (86%) of the directors are independent.

Director	Independence Status	Basis for Determination of Independence
Terry D. Freeman	Independent	Not applicable – no material relationship
Cory Janssen	Independent	Not applicable- no material relationship
Carmen Loberg <sup>(1)</sup>	Independent	Not applicable – no material relationship
Jim Rakievich, President & CEO	Not independent	Is considered to have a material relationship with the Corporation by virtue of his current executive officer position with the Corporation
Alex Ryzhikov <sup>2</sup>	Independent	Not applicable – no material relationship
Christopher T. Seaver, Chair	Independent	Not applicable – no material relationship
Dale E. Tremblay <sup>(1)</sup>	Independent	Not applicable – no material relationship
William. J. Walker	Independent	Not applicable – no material relationship

(1) Mr. Carmen Loberg and Mr. Dale E. Tremblay have announced their retirement following the Corporation's 2021 AGM.

(2) Mr. Alex Ryzhikov is standing for election at the Corporation's 2021 AGM

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. Each Board meeting concludes with an *in-camera* session which excludes management and management directors. These sessions are of no fixed duration and participating directors are encouraged to raise and discuss any issues of concern. The independent directors may choose to meet privately at any time, either following an in-camera session or at another time of their choosing.

Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides leadership for such committee.

Directors and officers of the Corporation are required to declare any material conflict or potential conflict of interest, either in writing to the Corporation or to the Board or by request to have the nature and extent of his or her interest entered in the minutes of the Board meeting. A director having declared such an interest shall abstain from voting on any resolution approving the arrangement. The disclosure requirements for directors and officers are in accordance with the *Business Corporations Act* (Alberta). Similarly, any related-party transactions must be approved by the non-related directors and appropriately disclosed to the public.

The following table sets out details of directorships currently held by each director of the Corporation in reporting issuers other than the Corporation:

Name of Director	Name of Public Corporation(s)	Market (if applicable)
Terry D. Freeman	Vertex Resource Group Phoenix Technology Services	TSX:V TSX
Cory Janssen	Nil	n/a
Carmen Loberg <sup>(1)</sup>	Nil	n/a
Jim Rakievich	Nil	n/a
Alex Ryzhikov <sup>(2)</sup>	Nil	n/a
Christopher T. Seaver	Exterran Corporation Oil States International Inc.	NYSE NYSE
Dale E. Tremblay <sup>(1)</sup>	Cathedral Energy Services Ltd.	TSX
William. J. Walker	Nil	n/a

(1) Mr. Carmen Loberg and Mr. Dale E. Tremblay have announced their retirement following the Corporation's 2021 AGM.

(2) Mr. Alex Ryzhikov is standing for election at the Corporation's 2021 AGM

## 2. Board Mandate

The primary responsibility of the Board is to foster the long-term success of the Corporation.

While the Board is responsible for the “management of the business and affairs of the Corporation”, this is done by proxy through the President and Chief Executive Officer, who is charged with the day to day management of the Corporation.

In performing its function, the Board also considers the legitimate interest which shareholders and other stakeholders have in the Corporation by supervising the conduct of its business. The Board, through the President and Chief Executive Officer, will set standards of conduct for the Corporation and ensure the safety of its operations.

The Board has delineated the roles and responsibilities of the Board and the President and Chief Executive Officer. The President and Chief Executive Officer’s employment agreement further defines his specific role and responsibilities. While the Board is responsible for the management of the business and affairs of the Corporation, this is accomplished in part by delegation to the President and Chief Executive Officer who is charged with the day-to-day management of the Corporation. The President and Chief Executive Officer reports directly to the Board and has responsibility for the leadership and management of the Corporation within the parameters adopted by the Board.

The following table provides a description of how the Board has delineated various roles and responsibilities between it and the Corporation’s President and Chief Executive Officer. The Board Mandate was reviewed by the Governance Committee in place in 2011 and revisions were recommended to the Board and approved.

## Roles & Responsibilities of the President & CEO

Responsibility	Board	President & CEO
Written medium and long range strategic plan	Participate and Approve	Develop and Execute
Overall integration of business units	Review	Define and Execute
Ensure the timely preparation and review of:		
Annual operating budgets and plans	Approve	Develop
Annual capital budgets and plans	Approve	Develop
Annual financial statements	Approve	Prepare
Quarterly financial statements	Approve	Prepare
Management, take-over and directors' circulars	Approve	Prepare
Operate within all applicable laws and regulations and file all required Public Company documents	Review	Define and Execute
Appoint auditors	Recommend	Review
Adequate internal controls and management information systems	Review and Approve	Develop and Implement
Compliance with Business Code of Conduct	Review	Monitor
Issuance and acquisition of corporation securities	Approve	Develop
Adopt, amend or repeal articles	Approve	Develop
Communication plan:	Approve	Develop
Investor Relations	Approve	Develop
Significant or material developments	Approve	Develop
Governance Practices	Prepare and Develop	
Ensure principal risks are identified and effectively managed	Review and Approve	Define
Ensure a strong, capable management team is in place:		
President and Chief Executive Officer, role and responsibilities and compensation	Define and Engage	
Senior management, role and responsibilities and compensation	Approve	Define and Engage
Succession and training plan	Approve	Define and Engage
Safety of employees	Review	Define and Execute
Business acquisitions	Approve	Develop and Execute
Business dispositions	Approve	Develop and Execute
Exercise statutory duties and obligations under the law:		
Employment	Approve	Define
Environmental	Approve	Define
Statutory Remittances	Approve	Define
Board of Directors:		
Size	Define	
Compensation	Define	
Board vacancy	Appoint	
Chairs, committees and mandates	Define and Appoint	
Education and orientation	Define and Implement	
Corporate Governance	Define and Adopt	
Expectations and Responsibilities of Board members	Define and Adopt	

***Strategic Planning and Principal Risks***

The Board reviews and approves an annual plan (operating and capital budgets) of the Corporation prepared by management. The annual plan sets out the material corporate and financial objectives, plans and actions of the Corporation and sets out and takes into account the opportunities and risks of the Corporation's businesses. The Board is kept current on the Corporation's progress towards achieving these objectives through detailed monthly financial statements and the President's Report to the Board which is delivered in advance of each scheduled Board meeting. It is the responsibility of the President and CEO of the Corporation to initiate the strategic planning process and it is the responsibility of the Board to support the strategic planning activities of the President and CEO. The Board reviews and approves any major policy initiatives and strategic decisions. The Board has also implemented a strategic planning process which includes a formal Board session.

***Policy Review, Financial Reporting and Disclosure***

The Board oversees the integrity and effectiveness of the Corporation's Disclosure and Confidentiality, Disclosure Controls and Procedures, Insider Trading Policies and the Corporation's Business Code of Conduct and, in conjunction with the Disclosure Committee, undertakes a review of such policies annually and revises them as appropriate with input from management. The Board also monitors and oversees all aspects of the Corporation's financial reporting and disclosure. Finally, the Board requires all news releases and reports to shareholders containing financial information regarding the Corporation to be reviewed by the Audit Committee prior to their public release.

***Internal Controls and Management Information Systems***

The Audit Committee is responsible for overseeing the adequacy and effectiveness of the Corporation's internal controls and management information systems. Any deficiencies or concerns are reported to the full Board.

***Management Evaluation and Succession Planning***

The HRC&G reviews and assesses the performance of the President and Chief Executive Officer and, with the President and Chief Executive Officer, the performance of executive officers who report to the President and Chief Executive Officer and establishes and recommends for approval to the Board the compensation packages of the President and Chief Executive Officer and other executive officers of the Corporation. The HRC&G Committee is charged with committee oversight of the succession plan for the President and Chief Executive Officer and other executive officers and periodically report to the Board on such succession plan.

***Expectations and Responsibilities of Board Members***

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of shareholders. They must be in good standing with respect to financial matters and all applicable laws, regulations and statutes. Directors must have mature judgment and demonstrated ability to provide leadership and relevant expertise, industry knowledge, or marketing acumen. Directors should possess knowledge of securities regulations, disclosure requirements and other corporate governance principles as appropriate for a TSX listed public company. Directors must be able to devote sufficient time to effectively fulfill their responsibilities and duties and must be willing to limit their other activities to ensure this ability. Consistent with the importance of Board responsibilities, each director is expected to be familiar with the Corporation's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of any committee of which such director is a member.



***Board Approval***

The Board reviews and approves various corporate documents and transactions including the annual plan (budget); the annual financial statements and associated public disclosure materials; all capital expenditures; all mergers, business acquisitions and dispositions; all material borrowing and banking arrangements; equity financings of the Corporation; the purchase and redemption of securities; any changes to the by-laws or articles of the Corporation; the recruitment, and if necessary, the termination of the President and Chief Executive Officer; all major strategic and policy decisions; and any other matter specified by the Board as requiring its approval.

***Shareholder Communication with the Board***

Shareholders may communicate directly with non-management directors through the Vice President & Chief Financial Officer, by writing to:

Ms. Lindsay McGill  
 Vice President & Chief Financial Officer  
 McCoy Global, Inc.  
 #201, 9910 39 Avenue NW  
 Edmonton AB T6E 5H8  
[lmcgill@mccoyglobal.com](mailto:lmcgill@mccoyglobal.com)

**3. Position Descriptions**

The Board has adopted the following position descriptions for the Chair of the Board and the Chair of each Committee of the Board. The position description for the President & CEO is provided in the table above titled "Roles & Responsibilities of the Board and President & CEO."

**Chair of the Board of Directors**

In addition to the Chair's responsibilities as a director of the Corporation, as provided by the *Business Corporations Act* (Alberta) (the "Act"), and the Corporation's By-Laws, the Chair shall also have specific duties and responsibilities as set out below. In addition, the Chair shall have other such powers and duties as the Board may specify.

*Provisions of the Corporation's By-laws:*

"The Chair of the Board of Directors (the "Board") shall be a director and shall have such other duties and powers as the directors may specify and delegate. During the absence or disability of the Chair of the board, his duties shall be performed and his powers exercised by the Vice-Chair of the Board or by the President or by any other director designated by the directors.

The Chair of any meeting of the directors shall be the first mentioned of such of the following persons as has been appointed and who is a director and is present at the meeting: Chair of the Board, Vice-Chair of the Board, or President. If no such person is present, or if such persons decline to act, the directors present shall choose one of their numbers to be Chair."

Responsibilities

The Chair must act in the best interests of the Corporation and the shareholders within applicable legislation and best practices in corporate governance.

The Chair must set the appropriate atmosphere for the Board and its members, and will require a combination of relationship and consensus building skills to do so. The Chair must encourage directors to participate in

healthy debate and take independent viewpoints when appropriate. The Chair must also provide the guidance and leadership to support a group perspective. Such an atmosphere is intended to promote ethical and responsible decision making, proper oversight of management and best practices in corporate governance.

#### Specific Undertakings

The Chair is specifically responsible to ensure that the following actions occur:

- (i) times and places of meetings of the Board and shareholders are determined and disseminated to appropriate parties;
- (ii) the Board meets a minimum of four times a year plus as many additional times as required to carry out its duties;
- (iii) the shareholders meet at least once annually and any other additional times as may be required by law or circumstances;
- (iv) all business required to be brought before a meeting of shareholders is brought before a meeting of shareholders;
- (v) all business required to be brought before the Board is brought before the Board in a manner that facilitates the Board in the performance of its duties to manage, or supervise the management of, the business and affairs of the Corporation;
- (vi) all business on the agenda of any Board or shareholder meeting is discussed, the discussion is closed, and the matter is brought to resolution as required;
- (vii) all meetings of the Board and shareholders are presided over by the Chair or allowable alternate;
- (viii) the Board meets, or has the opportunity to meet, at regular intervals without management present;
- (ix) the Board and its members and Board Committees are given leadership to assist with effectively carrying out their duties and responsibilities;
- (x) the President and Chief Executive Officer receives counsel and support from the Chair, the Board and its members; and
- (xi) alternative views of the Board members are given due consideration.

#### **Chair of the Audit Committee**

The primary functions of the Audit Committee are to fulfill the Board's oversight responsibilities as they relate to the Corporation's accounting policies, internal controls, disclosure controls, financial reporting practices, and legal and regulatory compliance.

#### Responsibilities

The Audit Committee Chair is appointed annually or more frequently if required, by the Board. The Chair is charged with oversight of the Committee. Oversight responsibilities include convening and presiding over Committee meetings and taking the lead role as a member of the Board in dealings with the external auditor.

#### Specific Undertakings

The Chair is specifically responsible to ensure that the following actions occur:

- (i) meetings are scheduled in sufficient number and at appropriate times of the year to facilitate proper continuous disclosure of the Corporation's financial performance and related documents;
- (ii) Committee members are kept current with any changes in the CICA Handbook that pertain to the Corporation;
- (iii) all disclosure documents that are required to be reviewed and approved by the Committee are reviewed, amended as required and approved;
- (iv) all members of the Committee are independent and financially literate within the guidelines of National Instrument 52-110 (*Audit Committees*);
- (v) new members to the Committee are recommended based on relevant education and experience;
- (vi) the Committee's findings, conclusions and recommendations are reported to the Board;
- (vii) an annual self-evaluation of the Committee is undertaken and the results reported to the Board;
- (viii) the Committee's terms of reference are reviewed at least annually and any proposed changes are recommended to the Board for approval;
- (ix) management is able to communicate with the Committee through the Chair during the intervals between scheduled meetings; and
- (x) the Chief Financial Officer receives counsel and support from the Chair, and the Committee's members.

#### **Chair of the Human Resources, Compensation and Governance (HRC&G) Committee**

The primary function of the HRC&G Committee is to assist the Board of Directors with all corporate governance related matters and in fulfilling its oversight responsibilities in relation to the Corporation's overall compensation and human resource philosophy.

The HRC&G Committee is responsible for reviewing, reporting and making recommendations to the Board on matters of human resources, corporate governance, Board composition, Board succession, and the formation and membership of committees. The Committee has the responsibility to address governance issues; and also holds the responsibility of identifying, recruiting, nominating, endorsing, recommending appointment of, and orienting new directors. The Committee is also responsible for the content and application of the Corporation's Code of Conduct and the disclosure of the Corporation's corporate governance practices in response to legal and regulatory requirements. Other responsibilities of the Committee include ensuring that the mission and strategic direction of the Corporation is reviewed annually and that the Board and its committees carry out their functions in accordance with due process. The Committee is also responsible for assessing the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director. This also includes the assessment of the performance and compensation of the Chief Executive Officer and other officers. The Committee shall consist of at least three unrelated directors.

#### Responsibilities

The Chair of the HRC&G Committee bears primary responsibility for leading the Committee and is charged with oversight of the Committee. Oversight responsibilities include convening and presiding over Committee meetings. The Chair is appointed annually by the Board from the Committee's members and is responsible to schedule meetings of the Committee and establish the agenda and any related documents for the meetings. The Chair must provide leadership in developing and amending the Corporation's compensation philosophy and encourage orderly discussion among the Committee members. The Chair is responsible for reporting significant developments to the Corporation's Board.

### Specific Undertakings

The Chair is specifically responsible to ensure the following actions occur:

- (i) the Committee is convened at least three times per year and an agenda is distributed in advance of the meeting;
- (ii) the annual *Report on Executive Compensation* is reviewed and, if required, amended, prior to inclusion in proxy materials;
- (iii) provides regular reports to the Board regarding the Committee's activities and decisions;
- (iv) the Committee's terms of reference are reviewed at least annually and any proposed changes are recommended to the Board for approval;
- (v) ensures periodic self-evaluations of the Committee's functions are performed and communicated to the Board;
- (vi) revises and provides recommendations to the Board on the Corporation's compensation philosophy, policies and guidelines, including controversial executive compensation practices;
- (vii) advises and gives counsel to other Board members of the Corporation on matters of compensation, reviews major activities and plans to ensure conformity with the Board's view on corporation compensation philosophy and policy;
- (viii) presents any proposed changes in major policies of the Corporation for Board action;
- (ix) retains and works with outside consultants and other advisors when necessary;
- (x) promotes legal and regulatory compliance in the Committee's activities;
- (xi) succession plans for the officers and for key employees of the Corporation are in place;
- (xii) manages meetings so that there is adequate time for review and discussion of all matters;
- (xiii) ensures that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation;
- (xiv) management is able to communicate with the Committee through the Chair during the intervals between scheduled meetings;
- (xv) assure assessments of the Board's' performance are conducted at least annually;
- (xvi) assure written statements affirming compliance with the Corporation's *Business Code of Conduct* are received from each employee annually;
- (xvii) any matters brought to the Chair by any employee, member of management or director is brought to the full Committee for review and reported to the Board;
- (xviii) Committee members are current with regulatory requirements and best practices pertaining to corporate governance;
- (xix) assure the development of clear position descriptions for the Chairman of the Board, Committee Chair and CEO roles;

- (xx) develop written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation; and
- (xxi) develop and follow a process for identifying, recruiting and evaluating the potential of new directors.

#### **4. Orientation and Continuing Education**

The HRC&G Committee provides significant written orientation and educational material for new directors. The Corporation has prepared a "Directors' Manual" for new directors that includes comprehensive background information on the Corporation and its various divisions and subsidiaries and contains key corporate policies. In addition, an existing Board member is assigned to conduct facility tours and to further orient and inform any new Board member on an ad hoc basis.

Each director is responsible for attaining and maintaining the skill and knowledge necessary to ensure his substantial participation and contribution to the Board and its committees. The Corporation encourages directors to participate in courses and seminars dealing with financial literacy, corporate governance and related matters.

The Corporation has had a high degree of continuity in its directors which has enabled them to develop a considerable understanding of the Corporation's business.

#### **5. Ethical and Business Conduct**

The Corporation is committed to performing its business activities and operations with integrity and due regard to the public interest and the interest of its shareholders. For the Corporation to meet those standards, the Corporation expects all employees, contractors, directors and officers to make a conscientious effort to maintain a high standard of business ethics and social awareness while conducting their corporate and operating activities.

The Board has adopted a Business Code of Conduct (the "Code") for the directors, officers, and employees of the Corporation, its divisions and wholly owned subsidiaries. The Code formally sets out standards for behavior and practice and requires all directors, officers, and employees to indicate in writing their familiarity with the Code and their agreement to comply with it. The Code is reviewed and revised periodically to ensure currency and inclusiveness. A hard copy is provided to each new employee who must agree to comply with it as a condition of employment and each employee must certify annually that they have received, read, understood and complied with the Code. In addition, each manager responsible for a business unit certifies annually that the manager's employees have received, read and understood the Code. Each member of the Board certifies their compliance with the Code annually. The responses are reported to the President and Chief Executive Officer and the HRC&G Committee as well as the full Board. A copy of the Code is posted on the Corporation's web site and available to any party who requests a hard copy.

If any director or officer has a material interest in any potential or existing transaction or agreement involving the Corporation, the director or officer must disclose that interest in writing in accordance with the provisions of the *Business Corporations Act* (Alberta). The disclosing director may be excused from any discussions pertaining to the topic and must abstain from voting on any motion regarding the matter.

The Board supports a culture of ethical business conduct and leads by example. The Board has also adopted a whistleblower policy and engaged a third-party service provider to ensure that employees can report inappropriate conduct anonymously and without fear of reprisal.

#### **6. Nomination of Directors**

The HRC&G Committee shall carry out the nomination process on an annual basis, and specifically shall:

- (i) Develop criteria which reflect the needs of the Board in recruiting new directors;
- (ii) Meet with, interview and evaluate potential candidates for the position of Director to ensure that:

- the Board is constituted with individuals of diverse background talents and experience;
  - when a vacancy occurs, qualified candidates are available;
- (iii) Request nominations from the membership and place into nomination the names of candidates who are nominated by the members of the Corporation, in accordance with the Corporation's by-laws;
- (iv) Provide Committee endorsement of one or more of the nominees for each of the open positions, and communicate its recommendation to the membership in the election process; and
- (v) Review and recommend changes in policy and procedures related to the nomination and election of Directors, subject to the Corporation's by-laws.

## 7. Human Resources, Compensation & Governance Committee

The Board has an HRC&G Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation and are unrelated, independent directors of the Corporation. The Board's policy regarding director independence is to adopt the practice which best serves the Corporation's needs at any particular time. In the Board's view, the current HRC&G Committee structure is appropriate considering the size of the Corporation and the Board, and that the Corporation has four significant shareholders. The HRC&G Committee members are well-versed in compensation and governance practices for the regions and industry in which the Corporation operates. The HRC&G Committee also encourages every member of the Board to actively participate in discussions relating to executive compensation, and full Board approval is required for the President and Chief Executive Officer's compensation. The HRC&G Committee makes recommendations to the full Board for review and approval. As of the Effective Date, the HRC&G Committee members are Terry D. Freeman, Cory Janssen, William John Walker, Carmen Loberg and Dale E. Tremblay. All members are considered to be independent as at December 31, 2020.

The HRC&G Committee charter was approved in 2018. In respect of compensation matters, the Committee reviews and provides recommendations to the Board on the following matters:

- (i) Compensation policies and guidelines for supervisory and management personnel of the Corporation and its related entities;
- (ii) Corporate benefits, bonuses and other incentives, including equity-based compensation;
- (iii) Reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation, evaluating the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation level based on this evaluation;
- (iv) Non-CEO officer and director compensation, incentive compensation plans and equity-based plans;
- (v) The review of executive compensation disclosure before the Corporation publicly discloses such information;
- (vi) Succession plans for the officers and for key employees of the Corporation; and
- (vii) Any material changes or trends in human resources policy, procedure, compensation and benefits.

In respect of corporate governance matters, the Committee reviews and provides recommendations to the Board on the following matters:

### **Board Performance & Effectiveness**

Develop written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;

- (i) Develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee, and together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the CEO is responsible for meeting;
- (ii) Oversee the assessment of the Board, its committees and each individual director in respect of effectiveness and contribution;
- (iii) Cause the Board to annually review its definition of an "independent" director;
- (iv) Develop a comprehensive orientation and continuing education program for all directors;
- (v) Review aggregate skills and competencies of the Board;
- (vi) Ensure that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation;

### **Regulatory Oversight**

- (i) Ensuring compliance by the Board and the Corporation with all applicable securities laws and stock exchange rules;
- (ii) Develop and monitor the Corporation's general approach to corporate governance issues as they may arise;
- (iii) Propose changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensure that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness;
- (iv) Ensure that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements;
- (v) Develop and monitor the Corporation's policies relating to trading in securities of the Corporation by insiders as well as communication and confidentiality;

### **Risk Management**

- (i) In conjunction with the Audit Committee, ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business;
- (ii) Annually reviewing areas of potential personal liability of directors and ensure reasonable protective measures are in place;

### **Corporation Effectiveness**

- (i) Ensure that the vision, values and strategic direction of the Corporation are reviewed annually including execution by management
- (ii) Periodically consider the need for special policies of the Corporation, initiated by the Board, in unique or emerging policy areas such as corporate ethics, gender equality, sexual harassment or environmental practices.
- (iii) Develop a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Corporation;

### **Director Succession Planning**

- (i) Develop and follow a process for identifying, recruiting and evaluating the potential of new directors;
- (ii) Nominate, to the Board, directors with the appropriate skills and abilities to enable the Board to carry out its responsibilities;

If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Committee, that the Committee obtain the advice and counsel of external advisors, the Chair of the Committee shall, at the request of the Committee, engage the necessary advisors.

## **8. Assessments**

The HRC&G Committee is responsible for, and has established processes for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. A Board Self-Evaluation Survey has been developed for periodic use at the discretion of the HRC&G Committee. The HRC&G Committee periodically considers the effectiveness of the full board and contributions of individual directors as well as reviews the structure and terms of reference for each of the Board committees. Additionally, the contributions of individual directors may be discussed in camera at any HRC&G Committee or Board meeting. The HRC&G Committee conducts, on behalf of the board, a board evaluation and an individual board member evaluation annually. Results were summarized by the Committee and discussed with the board.

## **9. Diversity**

### **Policies Regarding the Representation of Diversity on the Board**

The Corporation has adopted the following Diversity Policy:

#### *Board Diversity Policy*

The Human Resources, Compensation & Governance Committee ("HRCGC") of the board of directors ("Board") of McCoy Global Inc. ("McCoy" or the "Company") regularly reviews the skills and competencies of the Company's directors including to assess alignment with McCoy's current and longer term strategic vision and business strategy.

When recruiting to fill a vacant Board position or to add or enhance Board skills and competencies, the HRCGC considers candidates with the attributes, knowledge and experience that are aligned with, and will further and enhance the execution of, McCoy's strategic vision and business strategy.

The Board recruiting process administered by the HRCGC also considers diversity as an important element when identifying suitable candidates.



The Company seeks to maintain a Board in which at least one member of the Board is a woman by its annual meeting in 2022, and thereafter maintain a Board with at least one member of the Board being a woman.

At least annually, the Board or a committee of the Board will review this policy and assess its effectiveness in promoting a diverse Board and the progress of the Company in achieving objectives set out in this policy.

#### Management Diversity Policy

Diversity is essential to any management team and the Company recognizes the value of a broad range of skills and diversity of background, race and gender among the executive leadership team.

McCoy's executive and senior leadership group reflects these attributes and the Company will continue to assess candidates on these merits when recruiting or promoting from within to leadership positions.

Although no specific targets for female management roles have been adopted, the Company's track record has consistently reflected gender diversity as, and it will continue to be, one of the important considerations in appointing candidates to management roles.

As of the Effective Date, there are no women on the Board and one of the Corporation's three executive officers is a woman.

#### **Director Term Limits and Other Mechanisms of Board Renewal**

The Board has not adopted director term limits or other mechanisms of board renewal for the following reasons:

- the implementation of director term limits is problematic, as it is an unproven method of encouraging board effectiveness;
- the imposition of director term limits on a board implicitly discounts the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially valuable board members as a result of an arbitrary determination;
- the impositions of rigid, prescribed term limits on the tenure of directors implies that boards cannot properly govern themselves, by usurping core functions of the board and replacing them with fixed criteria that may not adequately represent the interests of shareholders;
- directors with the level of understanding of a company's business, history and culture acquired through long service on the board provide additional value;
- term limits run the risk of acting as a substitute for proper board self-assessment and renewal; and
- there is little empirical evidence that a director's ability to act independently of management declines after any specific period of service.

## **10. Other Board Committees**

The Board has no standing committees other than the Audit Committee (as described in the Corporation's Annual Information Form dated March 16, 2021 for the year ended December 31, 2020 filed on SEDAR at [www.sedar.com](http://www.sedar.com)) and the HRC&G Committee (as described above).

## Miscellaneous Disclosures

### 1. Indebtedness of Directors and Executive Officers

None of the executive officers or directors of the Corporation and its subsidiaries, past and present, are, or have been since the beginning of the last completed financial year, indebted to the Corporation, nor has the Corporation or its subsidiaries guaranteed or otherwise supported any indebtedness of such persons as at the Effective Date.

### 2. Management Contract

The Corporation has no management contracts or other arrangements in place where management functions are performed by a person other than the directors or officers of McCoy Global.

### 3. Interest of Certain Persons in Matters to be Acted Upon

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

### 4. Interests of Informed Persons in Material Transactions

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person or persons of the Corporation, or any associate or affiliate of any informed person of the Corporation, in any past or proposed transaction which in either case has materially affected or will materially affect the Corporation since January 1, 2014.

### 5. Additional Disclosures Relating to Directors

#### *Cease Trade Orders and Bankruptcies*

Except as described below, to the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such proposed directors) is, as of the Effective Date, or has been within ten (10) years before the Effective Date, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management 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 (collectively, an "Order"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, to the knowledge of the Corporation no proposed director of the Corporation (nor any personal holding company of any of such proposed directors): (i) is, as of the Effective Date, or has been within the ten (10) years before the Effective Date, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten (10) years before the Effective Date, 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 proposed director.

Mr. Terry D. Freeman was a director of GLM Industries Ltd., a private company, until April 9, 2015. GLM Industries Ltd. was placed into receivership on July 6, 2015.

Mr. Christopher T. Seaver served as a director of Innovative Wireline Solutions Inc. ("IWS") from June 30, 2010 until October 26, 2011. On December 2, 2011 the Alberta Securities Commission issued a Cease Trade Order ("CTO") for the ceasing of trading in or purchasing of any securities of IWS; on December 6, 2011, the British Columbia Securities Commission issued a CTO in respect of IWS, and on December 19, 2011, the Ontario Securities Commission issued a CTO in respect of IWS. These orders were issued due to the failure of IWS to file interim financial statements and the associated management's discussion and analysis and certificates under National Instrument 52-109 for the interim period ended September 30, 2011. These CTOs have not been revoked.

#### *Penalties or Sanctions*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such proposed directors) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## General

**Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein.** All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

The contents and the sending of this Management Information Circular have been approved by the Board as of the Effective Date.

**Additional financial information is provided in the comparative consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 and associated Management's Discussion & Analysis, which are available in their entirety on SEDAR at [www.sedar.com](http://www.sedar.com). Single copies of the Annual Report 2020, Annual Information Form and Information Circular are available upon request, from the Corporation's Corporate Secretary at #201, 9910 – 39 Avenue, Edmonton, Alberta T6E 5H8 (780) 453-8451, fax (780) 453-8756. Requests for multiple copies may be subject to a nominal fee.**

**Refer to the Corporation's Annual Information Form dated March 16, 2021 for the year ended December 31, 2020, a copy of which is available on SEDAR, for information regarding the Audit Committee of the Board in the form prescribed by Form 52-110F1 of National Instrument 52-110.**

### Annual General Meeting

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Tuesday, June 1, 2021

8:00 A.M. MDT

McCoy Global Inc.- Corporate Office

#201, 9910 39 Avenue NW

Edmonton, Alberta, Canada

**Schedule "A" – Amended Stock Option Plan (April 8, 2021)**

## STOCK OPTION PLAN (2011)

Dated March 19, 2011; As Amended February 9, 2012, May 22, 2014, March 11, 2015 and April 8, 2021

### 1. INTRODUCTION

#### 1.1. Purpose

The purpose of the Stock Option Plan (2011) (the "Plan") is to, among other things, secure for the Corporation and its shareholders the benefits of incentives inherent in share ownership by the management and employees of the Corporation and other eligible persons who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging management, employees and others of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Corporation.

#### 1.2. 2008 Stock Option Plan

Upon receipt of all approvals that may be required pursuant to Section 3.6 hereof, the Plan will replace the Stock Option Plan (2008) of the Corporation and on the date of receipt of all such approvals, the Stock Option Plan (2008) will be of no further force and effect. All options and stock option agreements issued under the Stock Option Plan (2008) shall thereafter be deemed to be issued under the Plan and thereafter shall be governed under the Plan.

#### 1.3. Definitions

Whenever used herein, the following words and expressions shall have the following meanings, namely:

- (a) "Black Out Period" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time;
- (b) "Board" means, subject to Section 2.1, the board of directors of the Corporation as it may be constituted from time to time;
- (c) "Change of Control Event" means:
  - (i) a transaction or series of transactions resulting in the sale, transfer, conveyance, lease or exchange by the Corporation of all or substantially all of its assets;
  - (ii) the acceptance by the Corporation's shareholders of any offer, whether by way of a takeover bid or otherwise, representing in the aggregate fifty percent (50%) or more of all of the issued and outstanding Shares;
  - (iii) transaction or series of transactions resulting in the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, which together with such person's then-owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights) fifty percent (50%) or more of the combined voting rights attached to the then-outstanding Shares;
  - (iv) the entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation which is not an affiliate (as defined under applicable securities laws) of the Corporation;
  - (v) the circumstance in which individuals who were members of the Board immediately prior to a meeting of the shareholders involving a contest for the election of directors no longer constitute a majority of the Board following such election; or

- (vi) such other transaction or series of transactions which the Board, acting reasonably, by resolution deems to be a Change of Control Event;
- (d) "Compensation Committee" means the compensation committee selected by the Board and having no less than three members;
- (e) "Corporation" means McCoy Global Inc., a corporation incorporated under the laws of Alberta;
- (f) "Eligible Employees" means key employees of the Corporation or any of its Subsidiaries including both full-time and part-time employees, whether or not they have a written employment contract with the Corporation;
- (g) "Eligible Members of Management" means the officers, whether or not directors, of the Corporation or any of its Subsidiaries including the president, chief executive officer, chief operating officer, chief financial officer, any vice-president, the secretary, the treasurer or the general manager of the Corporation or any of its Subsidiaries;
- (h) "Eligible Service Providers" means persons or companies engaged to provide ongoing management, consulting or other services for the Corporation or any of its Subsidiaries for an initial, renewable or extended period of twelve months or more;
- (i) "Exchange" means The Toronto Stock Exchange;
- (j) "Insider" of the Corporation means an "insider" as defined in the TSX Company Manual, and more specifically, an "insider" for the purposes of Section 613 of the TSX Company Manual;
- (k) "Subsidiary" means a subsidiary as defined in National Instrument 45-106 – Prospectus and Registration Exemptions;
- (l) "Option" means an option granted under the terms of the Stock Option Plan;
- (m) "Option Period" means the period during which an Option may be exercised;
- (n) "Optionee" means an Eligible Employee, Eligible Member of Management or Eligible Service Provider to whom an Option has been granted under the terms of the Stock Option Plan;
- (o) "Participant" means, in respect of the Plan, an Eligible Employee, Eligible Member of Management or Eligible Service Provider who elects to participate in the Plan;
- (p) "Security Based Compensation Arrangements" means, collectively, stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanism involving, in each case, the issuance from treasury or potential issuance from treasury of Shares or other securities of the Corporation to one or more eligible persons, including a purchase of Shares from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (q) "Stock Option Agreement" means an agreement entered into pursuant to Section 2.5 hereof;
- (r) "Stock Option Plan" or "Plan" means the plan established and operated pursuant to Part 2 hereof; and
- (s) "Shares" means the common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified.

## **2. STOCK OPTION PLAN**

### **2.1. Administration**

The Plan shall be administered by the Board and all costs in respect thereof shall be paid by the Corporation. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the

administration and operation of this Plan, in whole or in part, to the Compensation Committee or such other committee of the Board appointed by the Board. Whenever used herein, the term "Board" shall be deemed to include the Compensation Committee or such other committee to which the Board has, fully or partially, delegated the administration and operation of this Plan pursuant to this Section 2.1.

## **2.2. Participation**

Options shall be granted only to Eligible Employees, Eligible Members of Management and Eligible Service Providers.

## **2.3. Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Employees, Eligible Members of Management and Eligible Service Providers and may take into consideration the present and potential contributions of a particular Eligible Employee, Eligible Member of Management or Eligible Service Provider to the success of the Corporation and any other factors which it may deem proper and relevant.

## **2.4. Price**

The exercise price per Share shall be determined from time to time by the Board but, in any event, shall not be lower than the closing market price of the Shares on the Exchange on the last trading day preceding the date of grant. In the event that no trades of the Shares have taken place on the Exchange on any trading day within a five day period immediately preceding the date of grant, the Board may, in their sole discretion, select as the exercise price per Share the weighted average trading price of the Shares on the Exchange over the last ten trading days on which the Shares traded on the Exchange immediately preceding the date of the grant.

Except as may be permitted by the Exchange, an exercise price may not be set when material information relating to the Corporation of which management of the Corporation and/or the Board is aware has not been disclosed to the public.

Once the exercise price has been determined by the Board and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that the exercise price of an option which benefits an Insider of the Corporation may only be reduced if disinterested shareholder approval is obtained.

## **2.5. Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Employees, Eligible Members of Management and Eligible Service Providers as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan.

Each Option granted to an Optionee shall be evidenced by a Stock Option Agreement with terms and conditions consistent with the Plan and as approved by the Board (which terms and conditions need not be the same in each case and may be changed from time to time). Until such time as the Board shall otherwise determine, and subject to the provisions of Section 3.9 hereof, the form of Stock Option Agreement adopted for use hereunder shall be that which is attached hereto as Schedule "A".

## **2.6. Terms of Options**

The Option Period for Options granted to Eligible Employees, Eligible Members of Management and Eligible Service Providers shall be of such length as is determined by the Board but in any event shall not exceed a period of (i) ten (10) years commencing on the date such Option is granted for all Options granted on or after March 11, 2015, or (ii) five (5) years commencing on the date such Option is granted for all Options granted on or before March 10, 2015, and, in each case, may also be reduced with respect to any such Option as provided in Section 2.8 hereof.

The expiry date set out in the Stock Option Agreement which benefits an Insider of the Corporation may only be extended if disinterested shareholder approval is obtained.

Subject to the other terms and conditions of this Plan, Options shall vest over a period of not less than five years and vested Options may be exercised in whole or in part at any time during the Option Period.

Should the expiry date of an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiry date for such Option for all purposes under the Plan. Notwithstanding Article 3.9 below, the ten Business Day period referred to in this paragraph may not be extended by the Board.

Except as set forth in Section 2.8, no Option may be exercised by an Optionee unless the Optionee is, at the time of such exercise:

- (a) in the case of an Eligible Employee, in the employ of the Corporation or one of its Subsidiaries and shall have been continuously so employed since the date of his Option, but absence on leave, having the approval of the Corporation, shall not be considered an interruption of employment for any purpose of the Plan; or
- (b) in the case of an Eligible Member of Management, an officer of the Corporation or one of its Subsidiaries and shall have been such an officer continuously since the grant of his Option;

provided, however, that Optionees who were granted Options by virtue of being Eligible Service Providers (and not in their capacity as Eligible Employees or Eligible Members of Management) at the time of such grant shall not be subject to the restrictions set out in (a), (b) or (c) of this Section 2.6.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full purchase price for the Shares being purchased. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him or them under the terms of the Plan. Notwithstanding the foregoing, the purchase price may be paid by the Optionee's (i) irrevocable instructions to the Corporation to deliver the Shares issuable upon exercise of the Option promptly to a broker (acceptable to the Corporation) for the Optionee's account, and (ii) irrevocable instructions to the broker to sell Shares sufficient to pay the full purchase price (plus any amount required to be withheld by applicable law) and upon such sale to deliver the full purchase price (plus any amount required to be withheld by applicable law) to the Corporation.

## **2.7. Lapsed Option**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options to the extent permitted by the Exchange.

## **2.8. Effect of Termination of Service or Death**

- (a) If an Optionee shall die while he is an Eligible Employee or Eligible Member of Management or during the 90 day period of time prescribed set forth in (c) of this Section 2.8, any vested Option held by the Optionee at the date of death shall be exercisable, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution. All such Options shall be exercisable only for six months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner.
- (b) If an Optionee is terminated for cause by the Corporation from his position as an Eligible Service Provider, Eligible Employee or Eligible Member of Management, no Option held by such Optionee may be exercised following the date of termination.
- (c) If an Optionee ceases to be an Eligible Service Provider, Eligible Employee or Eligible Member of Management for any reason other than termination for cause or death, then the vested Options held by such Optionee at the effective date thereof (the "Cessation Date") shall be exercisable for a period of 90 days thereafter except that, in the discretion of the Corporation:
  - (i) the exercise period may be extended for a maximum term expiring the earlier of the expiry of the Option Period and one year from the Cessation Date, in the case of Eligible Service Providers and



Eligible Members of Management that are not employed by the Corporation and any of its Subsidiaries; and

- (ii) the exercise period may be extended for a maximum term expiring the earlier of the expiry of the Option Period and three years from the Cessation Date, in the case of Eligible Employees and Eligible Members of Management that are employed by the Corporation and any of its Subsidiaries.

The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any Subsidiary, nor does it interfere or affect in any way the right of the Participant, the Corporation or the Subsidiary to terminate the Participant's employment or other relationships with the Corporation or any Subsidiary at any time.

Options shall not be affected by any change of status of the Participant where the Participant continues to be an officer, employee or consultant of the Corporation or any of its Subsidiaries.

### **2.9. Change of Control Event**

Notwithstanding any other provision of this Plan, in the event of a Change of Control Event, the vesting of Options and the time for the fulfillment of any conditions or restrictions on such vesting shall be automatically accelerated to a date or time prior to the effective time of the Change of Control Event without any further action on the part of the Board, and any Options not exercised or surrendered by the effective time of the Change of Control Event shall be deemed to have expired. Notwithstanding anything else to the contrary contained in this Plan, the Board shall have the power, in its sole discretion, in any Change of Control Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding Options including, without limitation, to modify the terms of this Plan and/or the Options. If the Board exercises such power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Change of Control Event.

### **2.10. Adjustment in Shares Subject to the Plan**

If there is any change in the Shares through a consolidation, subdivision or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the exercise price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

### **2.11. Financial Assistance to Optionees**

No financial assistance shall be provided by the Corporation, whether by way of a loan, guarantee or otherwise, to any Optionee to assist an Optionee to exercise an Option. For greater certainty, a Broker- Assisted Cashless Exercise (as defined in the Stock Option Agreement) of an Option by an Optionee in accordance with the applicable Stock Option Agreement shall not constitute financial assistance contrary to this Section 2.11.

### **2.12. Approval**

The terms of the Options granted from time to time hereunder, and the Optionees to whom Options are granted, are subject to the Exchange accepting notice of such terms and proposed Optionees (if such acceptance is required by the Exchange).

## **3. GENERAL**

### **3.1. Number of Shares**

The aggregate number of Shares issuable under the Plan together with all other Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Shares from time to time on a non-diluted basis.

### **3.2. Restrictions on the Granting of Options and the Issuance of Shares**

The following restrictions apply to the grant of Options under the Plan:

- (a) the aggregate number of Shares reserved for issuance to any one person under the Plan, together with all other Security Based Compensation Arrangements, must not exceed 5% of the then outstanding Shares (on a non-diluted basis);
- (b) in the aggregate, no more than 10% of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for Insiders under all Security Based Compensation Arrangements, including the Plan; and
- (c) the number of securities of the Corporation issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, including the Plan, cannot exceed 10% of the issued and outstanding Shares (on a non-diluted basis).

Subject to the receipt of all necessary Exchange and shareholder approvals, the restrictions set forth in paragraphs (a), (b) and (c) above may be exceeded at the discretion of the Board.

For the purposes of determining compliance with the restrictions set forth in paragraphs (a), (b) and (c) above, Shares reserved or issued pursuant to Options shall be considered together with Shares reserved or issued pursuant to all of the Corporation's previously established or proposed Security Based Compensation Arrangements.

### **3.3. Transferability**

Subject to the consent of the Board, all benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant all benefits and rights set out in a Stock Option Agreement and the associated Options may only be exercised by the Participant, or by the approved transferee of the Participant.

### **3.4. Employment**

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or interfere in any way with the right of the Corporation to terminate the Participant's employment at any time. Participation in the Plan by a Participant is voluntary.

### **3.5. Record Keeping**

The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Options granted to a Participant and the number of Options outstanding.

### **3.6. Necessary Approvals**

The Plan shall be effective only upon the approval of the Exchange and, if required by the Exchange, of the shareholders of the Corporation in the manner prescribed by the Exchange from time to time.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction and/or the Exchange which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option price paid to the Corporation shall be returned to the Participant.

### **3.7. Interpretation of the Plan**

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive.

### **3.8. Withholding Taxes**

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to an Optionee;
- (b) require, as a condition of the issuance of Shares to an Optionee that the Optionee make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Optionee to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the Optionee makes such payment; or
- (c) sell, on behalf of the Optionee, all or any portion of Shares otherwise deliverable to the Optionee until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Optionee.

### **3.9. Amendment or Discontinuance of the Plan**

The Board may terminate or discontinue the Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may by resolution amend this Plan and any Options granted under it without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) reduce the exercise price of an Option held by an Insider of the Corporation or by any other Participant;
- (b) extend the expiry date of an Option held by an Insider of the Corporation or by any other Participant (subject to such date being extended by virtue of paragraph 2.6 above);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders under paragraphs 3.2(a) and 3.2(b) hereof;
- (d) increase the maximum number of Common Shares issuable pursuant to this Plan;
- (e) make any change to the eligible Participants under the Plan which would have the potential of broadening or increasing Insider participation;
- (f) amend the Plan to permit a Participant to transfer Options to any person, other than in the case of the death of the Participant; or
- (g) amend the amendment provisions of this Plan under this Article 3.9.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Common Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

### **3.10. No Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

### **3.11. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

**3.12. Governing Law**

Except as otherwise set forth herein, the Plan shall be governed by the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

**3.13. Interpretation**

Words used herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

**3.14. Compliance with Applicable Law, etc.**

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of the Exchange or any regulatory body having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**SCHEDULE "A"**

**STOCK OPTION AGREEMENT**

**THIS AGREEMENT** made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BETWEEN:**

\_\_\_\_\_ of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_

(herein referred to as the "Optionee")

- and -

**McCOY GLOBAL INC.**, a body corporate

incorporated under the laws of Alberta

(herein referred to as the "Corporation")

**WHEREAS** the Corporation has established a Stock Option Plan (hereinafter referred to as the "Plan") for the granting of stock options, a copy of which has been provided to the Optionee;

**AND WHEREAS** the Optionee is an Eligible Employee, Eligible Member of Management or Eligible Service Provider (as defined in the Plan);

**AND WHEREAS** the Board of Directors of the Corporation has authorized the granting to the Optionee pursuant to the Plan of an option to purchase common shares in the capital of the Corporation in the number, at the time, at and for the price and upon the other terms and conditions hereinafter contained;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and premises herein set forth, and for other good and valuable consideration (the receipt whereof is hereby acknowledged by the Corporation), the parties hereto agree as follows:

**ARTICLE 1**

**DEFINITIONS AND INTERPRETATION**

1.01 In this Agreement, the following words and expressions shall have the following meanings:

- (a) "Cessation Date" means the date on which the Optionee ceases to be an Eligible Employee, Eligible Member of Management or Eligible Service Provider (as defined in the Plan) for any reason other than termination for cause or death;
- (b) "Expiration Date" shall mean 12:00 p.m. noon on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_;
- (c) "Option" means the option to purchase Shares granted to the Optionee pursuant to this Agreement, and includes any portion of that option;
- (d) "Option Period" means the period commencing on the date the Option is granted and concluding on the Expiration Date.
- (e) "Option Shares" means the Shares the Optionee His entitled to purchase under this Agreement; and
- (f) "Share" means a common share in the capital of the Corporation.

**ARTICLE 2**

## GRANT OF OPTION

2.01

- (a) The Corporation hereby grants to the Optionee, subject to the terms and conditions hereinafter set out, an irrevocable option to purchase on or before the Expiration Date, \_\_\_\_\_ Option Shares at a price of \$\_\_\_\_\_ per Option Share.
- (b) The Option granted in section 2.01(a) shall vest according to the following schedule:
- (i) [Twenty percent] (20%) of the Option (\_\_\_\_\_ Option Shares) shall vest on \_\_\_\_\_, 20\_\_;
  - (ii) [Twenty percent] (20%) of the Option (\_\_\_\_\_ Option Shares) shall vest on \_\_\_\_\_, 20\_\_;
  - (iii) [Twenty percent] (20%) of the Option (\_\_\_\_\_ Option Shares) shall vest on \_\_\_\_\_, 20\_\_;
  - (iv) [Twenty percent] (20%) of the Option (\_\_\_\_\_ Option Shares) shall vest on \_\_\_\_\_, 20\_\_; and
  - (v) [Twenty percent] (20%) of the Option (\_\_\_\_\_ Option Shares) shall vest on \_\_\_\_\_, 20\_\_.
- (c) If prior to the Expiration Date, the Optionee's position as an Eligible Employee, Eligible Member of Management or Eligible Service Provider of the Corporation, as the case may be, ceases for any reason other than termination for cause or death no further Option Shares will vest after the Cessation Date and any vested but unexercised Option Shares may be exercised during the period expiring on the earlier of the Expiration Date and ninety days from the Cessation Date. For greater clarity, upon the expiry of such ninety day period or the Expiration Date, whichever is earlier, the Option will expire and be of no further force or effect whatsoever. If an Optionee is terminated for cause by the Corporation from his position as an Eligible Service Provider, Eligible Employee or Eligible Member of Management, no Option held by such Optionee may be exercised following the date of termination.
- (d) The Option may be exercised pursuant to the terms of this Article II only insofar as the Option has vested at the time of the Optionee's death or termination of the Optionee's position with the Corporation or one of its subsidiaries, as the case may be.

2.02 The Option is granted in accordance with and subject to the terms and conditions of the Plan.

2.03 The Option to purchase the Option Shares granted hereby may be exercised from time to time and at any time and in such quantities as are allowed pursuant to Section 2.01, in accordance with the terms hereof and the Plan.

2.04 Subject to sooner termination in accordance with the terms of the Plan, the Option shall expire and terminate upon the Expiration Date as to such of the Option Shares in respect of which the Option has not then been exercised.

## ARTICLE 3

### RESERVATION OF SHARES

3.01 The Corporation shall, at all times during the term of this Agreement, keep available a sufficient number of unissued Shares in its authorized capital equal to those of the Option Shares which have not been issued.

## ARTICLE 4

## **ASSIGNMENT AND ENUREMENT**

- 4.01 The Option is personal to the Optionee and non-assignable and neither this Agreement nor any rights hereunder shall be transferable or assignable by the Optionee except as expressly permitted under the terms of the Plan.
- 4.02 This Agreement shall endure to the benefit and be binding upon the parties hereto and their permitted successors and assigns.

## **ARTICLE 5**

### **EXERCISE OF THE OPTION**

- 5.01 The Option may be exercised by the Optionee by delivery of written notice of such exercise and by tendering therewith payment for the purchase price of the Option Shares to be purchased in cash or by certified cheque to the Corporation at its principal office in the City of Edmonton, in the Province of Alberta, or at such other place as may be directed by notice in writing from the Corporation to the Optionee from time to time. Such notice shall state the number of Option Shares with respect to which the Option is then being exercised. The Option shall be deemed for all purposes to have been exercised to the extent stated in such notice upon delivery of the notice and a tender of payment in full for the Option Shares being purchased notwithstanding any delay in the issuance and delivery of the certificate(s) for the Shares so purchased. The Corporation shall, within a reasonable period of time, issue the Shares so purchased in the name of the Optionee and deliver the certificate(s) therefore to the Optionee. The form of notice to exercise is attached hereto as "Schedule A".
- 5.02 Notwithstanding Section 5.01, the purchase price may be paid by the Optionee's (i) irrevocable instructions to the Corporation to deliver the Option Shares issuable upon exercise of the Option promptly to a broker (acceptable to the Corporation) for the Optionee's account, and (ii) irrevocable instructions to the broker to sell Option Shares sufficient to pay the full purchase price (plus any amount required to be withheld by applicable law) and upon such sale to deliver the full purchase price (plus any amount required to be withheld by applicable law) to the Corporation (the "Broker- Assisted Cashless Exercise").

## **ARTICLE 6**

### **RIGHT OF THE OPTIONEE PRIOR TO THE EXERCISE DATE**

- 6.01 The Option herein granted shall not entitle the Optionee to any right whatsoever as a shareholder of the Corporation with respect to any Shares subject to the Option until it has been exercised and the Option Shares thereby purchased have been issued as fully paid and non-assessable.
- 6.02 Nothing contained in this Agreement or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Option Shares except those Option Shares in respect of which the Optionee shall have validly exercised this Option.

## **ARTICLE 7**

### **REGULATORY APPROVAL**

- 7.01 Notwithstanding anything to the contrary in this Agreement, the Optionee hereby agrees that he will not exercise the Option, and that the Corporation will not be obliged to issue any Shares hereunder, if the exercise of the Option or the issuance of the Shares shall constitute a violation by the Optionee or the Corporation of any provision of any law or regulation or of any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange. Any determination in this connection made by the Board shall be final, binding and conclusive.
- 7.02 The Corporation shall in no event be obliged, by any act of the Optionee or otherwise, to issue, register or qualify for resale any securities issuable upon exercise of the Option pursuant to a prospectus or similar document or to take any other affirmative action in order to cause the exercise of the Option or the issue or resale of the Shares issuable pursuant thereto to comply with any law or regulation or any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange; provided that the Corporation

shall notify The Toronto Stock Exchange and other appropriate regulatory bodies in Canada of the existence of the Option and any exercise thereof.

## **ARTICLE 8**

### **COVENANTS OF THE OPTIONEE PRIOR TO THE EXERCISE DATE**

- 8.01 The Optionee hereby covenants and agrees that it will enable the Corporation to take any and all steps for the deduction and withholding of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with the exercise of Option Shares under this Agreement in a manner to be agreed upon by the Optionee and the Corporation.

## **ARTICLE 9**

### **FURTHER ASSURANCES**

- 9.01 The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such deeds, documents, and writings as may be required to give effect to the true intent of this Agreement.

## **ARTICLE 10**

### **INTERPRETATION AND GENERAL**

- 10.01 It is understood and agreed by the parties hereto that questions may arise as to the interpretation, construction or enforcement of this Agreement or the Plan and the parties are desirous of having the Board determine any such question or interpretation, construction or enforcement. It is, therefore, understood and agreed by and between the parties hereto that any question arising under the terms of this Agreement or the Plan as to interpretation, construction or enforcement shall be referred to the Board and their majority decision shall be final and binding on both of the parties hereto.
- 10.02 Neither the Corporation nor its directors or officers, or any of them, shall be liable to the Optionee or to the Optionee's personal representative by reason of any loss or anticipated loss of economic benefit by reason of any action or event, whether or not concurred in by them, which has the effect of curtailing or abrogating the benefits which have accrued or might have accrued to the Optionee hereunder, including, without limitation, the voluntary or involuntary winding up of the Corporation, the sale of all or substantially all of its assets the delisting of the Shares from public trading, or any decline in the value of the Shares for any reason whatsoever.
- 10.03 The payment of all income taxes or other taxes or assessments in the nature of taxes levied upon the Optionee as a result of the granting or exercise of the Option shall be solely the responsibility of the Optionee.
- 10.04 In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.
- 10.05 This Agreement, including any schedules annexed hereto, constitute the entire agreement between the parties hereto and there are no oral statements, representations, warranties, undertakings or agreements between the parties modifying the provisions of this Agreement. No supplement, amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.
- 10.06 Time shall be of the essence of this Agreement.

## **ARTICLE 11**

### **GOVERNING LAW**

- 11.01 Except as otherwise set forth in the Plan, this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.



11.02 Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Alberta and the Supreme Court of Canada.

**ARTICLE 12**

**NOTICES**

12.01 Any notice to be given pursuant to the provisions hereof shall be conclusively deemed to have been given and received by a party hereto and to be effective on the day on which it is delivered to such party at the addresses set forth below (or at such other address that such party shall supply to the other parties in writing) or if sent by mail, on the fifth business day after the day on which mailed, addressed to such party at said address:

(a) If to the Optionee, at

(b) If to the Corporation, at

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**SIGNED, SEALED AND DELIVERED**

in the presence of:

\_\_\_\_\_  
)  
)  
)  
)

\_\_\_\_\_

[signed]

**McCOY GLOBAL INC.**

Per: \_\_\_\_\_

**SCHEDULE "A" to STOCK OPTION AGREEMENT  
OPTION EXERCISE FORM**

TO: **McCOY GLOBAL INC.**  
 #301, 9618 – 42 Avenue  
 Edmonton, Alberta T6E 5Y4  
 Attention: Corporate Secretary

The undersigned hereby irrevocably exercises the right to purchase and subscribe for Common Shares of McCoy Global Inc. pursuant to the terms of a stock option agreement between McCoy Corporation and the undersigned. Full particulars of this exercise are as set forth below:

DATE OF STOCK OPTION AGREEMENT: \_\_\_\_\_

EXERCISE PRICE PER OPTION SHARE: \$ \_\_\_\_\_ per Common Share

TOTAL EXERCISE PRICE: \$ \_\_\_\_\_

NUMBER OF OPTIONS AVAILABLE FOR EXERCISE: \_\_\_\_\_

NUMBER OF OPTIONS EXERCISED: \_\_\_\_\_

NUMBER OF OPTIONS AVAILABLE FOR EXERCISE FOLLOWING THIS EXERCISE: \_\_\_\_\_

A.  The undersigned confirms that a cheque or bank draft in payment of the Total Exercise Price is submitted with this Option Exercise Form.

**-OR-**

B.  The undersigned confirms that payment of the Total Exercise Price will be facilitated through the Broker-Assisted Cashless Exercise.

The undersigned hereby directs that the Common Shares of McCoy Global Inc. hereby acquired by this Option Exercise Form be registered, issued and delivered as follows:

REGISTRATION INSTRUCTIONS;	
DELIVERY INSTRUCTIONS:	

The undersigned acknowledges that the exercise of this option may represent a taxable benefit or have other tax implications, and that McCoy Global Inc. has the authority and the obligation to deal with this option exercise according to the terms of the stock option plan and applicable taxation laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**MANAGEMENT INFORMATION CIRCULAR**

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Optionee

**MANAGEMENT INFORMATION CIRCULAR**



**MCCOY GLOBAL INC.**  
**RESTRICTED SHARE PLAN**

Dated May 10, 2018 and amended April 8, 2021

**1. Purpose of the Plan**

- 1.1. Purpose. The purpose of this Restricted Share Plan (the "Plan") is to provide certain officers, key employees and consultants of the Corporation or a Subsidiary with an opportunity to receive equity-based incentives associated with Common Shares of the Corporation and to benefit from the appreciation of the Common Shares. This will provide an increased incentive for these officers, key employees and consultants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

**2. Defined Terms**

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1. **"Board"** means the board of directors of the Corporation as it may be constituted from time to time;
- 2.2. **"Change of Control"** means:
- (a) a transaction or series of transactions resulting in the sale, transfer, conveyance, lease or exchange by the Corporation of all or substantially all of its assets;
  - (b) the acceptance by the Corporation's shareholders of any offer, whether by way of a takeover bid or otherwise, representing in the aggregate fifty percent (50%) or more of all of the issued and outstanding Common Shares;
  - (c) a transaction or series of transactions resulting in the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then-owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights) fifty percent (50%) or more of the combined voting rights attached to the then-outstanding Common Shares;
  - (d) the entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation which is not an affiliate (as defined under applicable securities laws) of the Corporation;
  - (e) the circumstance in which individuals who were members of the Board immediately prior to a meeting of the shareholders involving a contest for the election of directors no longer constitute a majority of the Board following such election; or
  - (f) such other transaction or series of transactions which the Board, acting reasonably, by resolution deems to be a Change of Control;

**MANAGEMENT INFORMATION CIRCULAR**

- 2.3. **“Common Shares”** means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 6 hereof, such other Common Shares to which a Participant may be entitled upon the exercise of a Restricted Share as a result of such adjustment;
- 2.4. **“Corporation”** means McCoy Global Inc., and includes any successor corporation thereof;
- 2.5. **“Eligible Employees”** means key employees of the Corporation or any of its Subsidiaries including both full-time and part-time employees, whether or not they have a written employment contract with the Corporation;
- 2.6. **“Eligible Members of Management”** means the officers, whether or not directors, of the Corporation or any of its Subsidiaries including the president, chief executive officer, chief operating officer, chief financial officer, any vice-president, the secretary, the treasurer or the general manager of the Corporation or any of its Subsidiaries;
- 2.7. **“Eligible Service Providers”** means persons or companies engaged to provide ongoing management, consulting or other services for the Corporation or any of its Subsidiaries for an initial, renewable or extended period of twelve months or more;
- 2.8. **“Exchange”** means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- 2.9. **“Insider”** of the Corporation means an “insider” as defined in the TSX Company Manual, and more specifically, an “insider” for the purposes of Section 613 of the TSX Company Manual;
- 2.10. **“Market Price”** shall be determined from time to time by the Board but, in any event, shall not be lower than the closing market price of the Common Shares on the Exchange on the last trading day preceding the date of grant or settlement, as applicable. In the event that no trades of the Shares have taken place on the Exchange on any trading day within a five day period immediately preceding the date of grant, the Board may, in their sole discretion, select as the Market Price per Common Share the weighted average trading price of the Common Shares on the Exchange over the last ten trading days on which the Common Shares traded on the Exchange immediately preceding the date of the grant;
- 2.11. **“Participants”** means in respect of the Plan, Eligible Employees, Eligible Members of Management or Eligible Service Providers who elects to participate in the Plan;
- 2.12. **“Restricted Period”** means the period established by the Board with respect to a Restricted Share during which the Restricted Share either remains subject to forfeiture or is not convertible for the benefit of the Participant;
- 2.13. **“Restricted Share”** means a right as described in Section 5, to receive one Common Share or a cash payment of the Market Price of a Common Share, as determined by the Board, that generally becomes Vested, if at all, based on the Participant’s period of employment with the Corporation;
- 2.14. **“Share Grant Agreement”** is a written agreement in respect of the Plan between the Corporation and the Participant;
- 2.15. **“Subsidiary”** means a subsidiary as defined in National Instrument 45-106 – Prospectus Exemptions; and
- 2.16. **“Vested”** means, with respect to a Restricted Share, that the applicable conditions established by the Board or the Plan have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant’s rights with respect to such Restricted Share may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

### 3. Administration of the Plan

- 3.1. Administration. The Plan shall be administered by the Board. The Corporation shall effect the grant of Restricted Shares under the Plan in accordance with determinations made by the Board pursuant to the provisions of the Plan as to:
- (a) the Eligible Employees, Eligible Members of Management or Eligible Service Providers to whom Restricted Shares will be granted; and
  - (b) the number of Common Shares which shall be the subject of each Restricted Share.
- 3.2. Committee. The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board.

### 4. Grants of Restricted Shares

- 4.1. Grants. The Board, or a committee as the Board may delegate, from time to time shall grant Restricted Shares to certain Eligible Employees, Eligible Members of Management or Eligible Service Providers. The grant of Restricted Shares will be subject to the conditions contained in Section 5 and may be subject to additional conditions determined by the Board from time to time.
- 4.2. Share Grant Agreements. Each Restricted Share granted hereunder shall be evidenced by a Share Grant Agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time, subject to the requirements of the Exchange and will be consistent with the terms and conditions of this Plan. Each Share Grant Agreement shall recite that it is subject to the provisions of the Plan, and shall set forth, at a minimum, the number of Restricted Shares, and any applicable vesting and expiry conditions.
- 4.3. Reservation of Common Shares. The aggregate number of Common Shares that may be issued pursuant to the exercise or settlement of Restricted Shares granted under the Plan and all other security based compensation arrangements of the Corporation is 10% of the Common Shares issued and outstanding from time to time (calculated on a non-diluted basis), subject to the following limitations:
- (a) the aggregate number of Common Shares reserved for issuance pursuant to Restricted Shares granted to any one person under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the issued and outstanding Common Shares from time to time (calculated on a non-diluted basis);
  - (b) the aggregate number of Common Shares reserved for issuance pursuant to Restricted Shares granted to Insiders under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 10% of the issued and outstanding Common Shares from time to time (calculated on a non-diluted basis); and
  - (c) the aggregate number of Common Shares issued pursuant to Restricted Shares granted to Insiders under the Plan, together with all other security based compensation arrangements of the Corporation, within a one-year period, must not exceed 10% of the issued and outstanding Common Shares from time to time (calculated on a non-diluted basis).

The Common Shares in respect of which Restricted Shares are not exercised shall be available for subsequent Restricted Shares. No fractional Common Shares may be issued hereunder.



- 4.4. Vesting. The Board shall determine any and all conditions to the vesting of all and/or any portion of Restricted Shares and shall specify the material terms thereof in the applicable instrument of grant. Vesting of a Restricted Share, or portion thereof, may be conditioned upon passage of a Restricted Period, satisfaction of certain criteria as set out in Section 5.1, continued employment, or any combination of the foregoing as determined by the Board, provided that except in connection with the death of a Participant, in accordance with Section 12.6 hereof or as otherwise determined by the Board, Restricted Shares will not become Vested more rapidly than the first anniversary of the date of grant.
- 4.5. Term. The term of each Restricted Share shall be determined by the Board in its discretion, to a maximum of:
- (a) 10 years from the date of grant, or such shorter term as may be required by the rules of the Exchange to the extent applicable to such Restricted Share. The vesting period or periods within this period during which a Restricted Share or a portion thereof may convert into Common Shares shall be over a period of not less than three years; or
  - (b) in the event that the date determined by the Board on which a Restricted Share will expire (the "Fixed Expiry Date") falls within a period of time imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation (a "Black-Out Period"), the expiry date of the Restricted Share shall be the Fixed Expiry Date plus ten (10) business days from the date any Black-Out Period ends (the "Black-Out Expiration Term"). In the event that the Fixed Expiry Date falls within five (5) business days immediately after a Black-Out Period ends, the Black-Out Expiration Term shall be reduced by the number of days between the Fixed Expiry Date and the date the Black-Out Period ends.
- 4.6. Other. The Board may specify such other terms and conditions, consistent with the terms of the Plan, as it shall determine or as shall be required under any other provision of the Plan. Such terms may include, without limitation, provisions requiring forfeiture of Restricted Shares in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to a Restricted Share.

## 5. Restricted Shares

- 5.1. General. The Board may from time to time grant awards of Restricted Shares, subject to applicable law and the rules of the Exchange, to Participants on such terms and conditions, consistent with the Plan, as the Board shall determine. The Board may take into account one or more of the following factors:
- (a) the duties, responsibilities, position and seniority of the Participant;
  - (b) the individual contributions and potential contributions of the Participant to the success of the Corporation;
  - (c) the base salary and any other compensation (e.g., cash or securities) paid or to be paid to the Participant in respect of his or her individual contributions and potential contributions to the success of the Corporation;
  - (d) the Market Price of the Common Shares at the time of grant of the Restricted Shares; and
  - (e) any other factor the Board, in its sole discretion, deems relevant in connection with accomplishing the purposes of this Plan.
- 5.2. Settlement. Restricted Shares shall be settled upon or as soon as reasonably practicable following becoming Vested, subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this Plan. In its sole discretion, the Board may permit settlement to be made in cash by payment of an aggregate amount equal to: the product of (A) the Market Price on the applicable settlement date specified in the Restricted Share, and (B) the number of Restricted Shares then being settled.

5.3. Forfeiture of Restricted Shares. Subject to Section 8, the Board, in its sole discretion, shall specify the circumstances in which Restricted Shares shall be paid or forfeited in the event of termination of employment by the Participant prior to the end of a Restricted Period or settlement.

## 6. Adjustments

6.1. Adjustments in Common Shares. Appropriate adjustments in the number of Common Shares subject to the Plan and Restricted Shares granted or to be granted, shall be made by the Board, subject to Exchange approval, to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation or other relevant changes in the authorized or issued capital of the Corporation, which changes occur subsequent to the approval of the Plan by the Board.

6.2. Adjustments to Plan or Share Grant Agreement. Subject to Section 10 and to Exchange approval, appropriate adjustments to this Plan, to any Restricted Shares and to any Share Grant Agreements outstanding under this Plan, shall be made by the Board to prevent dilution or enlargement of the rights granted to the Participants hereunder.

## 7. Decisions of the Board

7.1. Finality. All decisions and interpretations of the Board respecting the Plan or Restricted Shares granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all officers, employees and consultants eligible under the provisions of the Plan to participate therein.

## 8. Termination of Employment/Death

8.1. Termination. Restricted Shares shall terminate at the earlier of: (i) the expiry date of the Restricted Share; or (ii) unless otherwise provided in the agreement evidencing the grant or otherwise determined by the Board, (A) the close of business 30 days after the Participant ceasing (other than by reason of death but including termination without cause) to be at least one of an officer, employee (in active employment carrying out regular and normal duties), or consultant of the Corporation or a Subsidiary, as the case may be, or (B) the close of business 30 days after the Participant has been provided with written notice of dismissal related to (A) above, except in the case of dismissal for cause in which case the Restricted Shares shall terminate immediately.

8.2. Death. If before the expiry of a Restricted Share in accordance with the terms thereof a Participant ceases to be an employee, officer or consultant by reason of the death of the Participant, any unvested portion of such Restricted Share shall be immediately vested. In addition, such Restricted Share may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal personal representative(s) of the Participant's estate or at any time before 5:00 p.m. Calgary time on the 90th day after the date of death of the Participant, subject to, at the discretion of the Board, to extension of the expiry.

8.3. No Employment Right. The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any Subsidiary, nor does it interfere in any way with the right of the Participant, the Corporation or the Subsidiary to terminate the Participant's employment at any time.

8.4. Change of Employment. Restricted Shares shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

8.5. Leave of Absence. If an employee is on military, sick leave or other bona fide leave of absence, such person shall be considered an employee for purposes of an outstanding Restricted Share during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined to be acceptable by the Board in its sole discretion), or, if longer, so long as the person's right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined to be acceptable by the Board in its sole discretion), the employment relationship shall be deemed to have terminated on the 91st day

(or the first day immediately following any period of leave in excess of 90 days as approved by the Board) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

## 9. Withholding Taxes

9.1. Taxes. When a Participant or other person becomes entitled to receive Common Shares under any Restricted Share, the Corporation will have the right to require the Participant or the other person to remit to the Corporation an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of those methods:

- (a) the tendering by the Participant of a cash payment to the Corporation in an amount less than or equal to the total withholding tax obligation; or
- (b) the withholding by the Corporation from the Common Shares otherwise due to the Participant the number of Common Shares having a fair market value, determined as of the date the withholding tax obligation arises, approximately equal to the amount of the total withholding tax obligation; or
- (c) the withholding by the Corporation from any cash payment otherwise due to the Participant the amount of cash as is less than or equal to the amount of the total withholding tax obligation;

provided, however, that the aggregate of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the total withholding tax obligation.

## 10. Amendment or Discontinuance of Plan

10.1. Amendments. The Plan and any issued Restricted Shares may be amended, modified or terminated with the approvals of the Exchange and shareholders by ordinary resolution at a meeting of shareholders as may be required pursuant to the policies of the Exchange. For greater certainty, shareholder approval will not be required for any of the following types of amendments (unless and to the extent prohibited by applicable law or rule of the Exchange):

- (a) amendments of a "housekeeping" nature;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange;
- (c) a change to the administration of the Plan or vesting provisions of the Plan or any Restricted Shares;
- (d) a change to the termination provisions of Restricted Shares or the Plan which does not entail an extension beyond the original expiry date; and
- (e) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.

Without limiting the generality of the foregoing, shareholder approval will be required, in accordance with the policies of the Exchange, in order for the Corporation to:

- (f) modify or amend the terms of Restricted Shares, including those previously granted, including the re-pricing of any Restricted Shares and the extension of the exercise period for any Restricted Shares except as otherwise permitted by the Plan;
- (g) make any change to the eligible Participants under the Plan which would have the potential of broadening or increasing Insider participation;

- (h) increase the number of Common Shares issuable pursuant to the Plan;
- (i) amend the Plan to extend the expiry date of Restricted Shares granted under the Plan;
- (j) amend the Plan to permit a Participant to transfer Restricted Shares to any person, other than in the case of the death of the Participant;
- (k) amend the amendment provision of the Plan; or
- (l) make any other amendment required to be approved by shareholders under applicable law or rules of the Exchange.

Subject to the foregoing and regulatory approval, as applicable, the Corporation may from time to time add to, delete from, alter or otherwise amend the provisions of the Plan or any Restricted Share granted thereunder as it sees fit or may at any time terminate the Plan, provided that:

- (m) no amendment may increase the maximum number of Common Shares reserved for issuance pursuant to outstanding Restricted Shares, or without the written consent of the Participant, materially and adversely impair, alter or amend any Restricted Share previously granted to such Participant; and
- (n) a termination of the Plan shall not derogate from the rights of those Participants that hold Restricted Shares granted prior to the date of such termination, unless otherwise consented to by such Participants.

## 11. Government Regulation

The Corporation's obligation to issue and deliver Common Shares under any Restricted Share is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on the Exchange; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on the Exchange.

## 12. Participants' Rights

12.1. This Plan shall not be construed as conferring on any Participant or a Participant's estate or on any other person any of the rights or privileges as a shareholder of the Corporation.

12.2. Restricted Shares may be granted to Participants who are citizens or residents of a jurisdiction other than Canada on such terms and conditions different from those under the Plan as may be determined by the Board to be necessary or advisable to achieve the purposes of the Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the Plan intended to govern the terms of any such Restricted Share. In no event shall the eligibility, grant, exercise or settlement of a Restricted Share constitute a term of employment, or entitlement with respect to employment, of any Participant.

- 12.3. Neither the Board, nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to pay any person participating or eligible to participate hereunder.
- 12.4. A grant of Restricted Share is effective as of 12:01 a.m. on the date of grant.
- 12.5. Non-Assignable. Restricted Shares granted to Participants hereunder are non-assignable, except by testamentary disposition by the Participant or the laws of intestate succession in the case of the death of a Participant, and are exercisable only by the Participant to whom the Restricted Share has been granted.
- 12.6. Change of Control. Upon the closing or completion of a Change of Control or upon the occurrence of a deemed Change of Control pursuant to paragraph (f) of the definition of Change of Control, the vesting of Restricted Shares shall be accelerated in full. In the event of a potential Change of Control the Board shall have the power to accelerate the date at which such Restricted Shares become exercisable.

### **13. Effective Date and Term of Plan**

- 13.1. The Plan, and any amendments to the Plan, shall become effective upon its or their adoption by the Board, subject to approval by the shareholders of the Corporation at the next meeting of shareholders of the Corporation or any adjournment thereof, if required. The effective date of this Plan, as so amended, shall be the date of approval by the shareholders. If the shareholders do not approve the Plan, or any amendments to the Plan requiring shareholder approval, the Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of any Restricted Shares subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded. However, in such case the existing plan shall remain in effect. If so approved, this Plan shall remain in effect with respect to Restricted Shares granted on or before the tenth anniversary of the effective date of this Plan (and no Restricted Shares may be made after such tenth anniversary), but the operation and terms of the Plan shall remain in effect with respect to Restricted Shares granted prior to such expiration of the Plan.
- 13.2. Restricted Shares granted on or after the effective date of the amendments as provided in Section 12.1 are granted under and subject to the terms of this Plan as amended and restated and all outstanding Restricted Shares granted under the prior plan, prior to the effective date of the Plan will be assumed and continued under the Plan, but nevertheless shall remain subject to their individual instrument of grant and the terms of the prior plans as in effect immediately prior to the effective date of the Plan, including provisions concerning change of control or other related events.
- 13.3. The Plan shall terminate on the date determined by the Board and no Restricted Shares may become effective under the Plan after the date of termination, but such termination shall not affect any Restricted Shares that became effective pursuant to the Plan prior to such termination.