



SYLOGIST LTD.

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT
FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 12, 2024**

Dated May 9, 2024

THIS MANAGEMENT INFORMATION CIRCULAR AND THE ACCOMPANYING MATERIALS REQUIRE YOUR IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH THESE DOCUMENTS OR THE MATTERS THEY REFER TO, PLEASE CONSULT YOUR PROFESSIONAL ADVISORS.



SYLOGIST LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Sylogist Ltd. (the “**Corporation**” or “**Sylogist**”) will be held virtually via live video webcast, available online at <https://meetnow.global/MUP6NRV>, on Wednesday, June 12, 2024, at 9:00 a.m. (MST), for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the financial year ended December 31, 2023, together with the report of the auditors thereon;
2. to appoint KPMG LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to fix the board of directors of the Corporation at seven members;
4. to elect directors of the Corporation for the ensuing year;
5. to approve all unallocated stock options under the Corporation’s stock option plan; and
6. to transact such other business as may properly be brought before the Meeting, or any adjournment or postponement thereof.

The accompanying Management Information Circular dated May 9, 2024 (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting.

This year’s Meeting will be held in a virtual-only format via live video webcast. In order to access the Meeting, registered Shareholders or duly appointed proxyholders will need to input an invite code that will be located on the instrument of proxy (the “**Instrument of Proxy**”) for registered Shareholders or in an email notification for proxyholders. Non-registered Shareholders may login as a guest by completing an online form. The Information Circular contains further details and instructions about virtual participation.

During the Meeting, Shareholders will have an equal opportunity to attend, ask questions and vote their Common Shares at the Meeting. Registered Shareholders and duly appointed proxyholders will not be able to physically attend the Meeting; however, such registered Shareholders and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting online. Non-registered Shareholders (being Shareholders who beneficially own Common Shares that are registered in the name of an intermediary such as a bank, trust company, securities broker or other nominee, or in the name of a depository of which the intermediary is a participant) who have not duly appointed themselves as proxyholder will be able to attend the Meeting online as guests, but guests will not be able to vote or ask questions at the Meeting.

It is desirable that as many Common Shares as possible are represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “*General Proxy Information – Advice to Beneficial Holders of Common Shares*” in the Information Circular. To be effective, the enclosed Instrument of Proxy must be received by Computershare Trust Company of Canada: (a) by mail to

Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof. A proxyholder need not be a Shareholder. If a Shareholder receives more than one proxy form because such Shareholder owns Common Shares registered in different names or addresses, each proxy form should be completed and returned.

The board of directors of Sylogist has fixed the close of business on May 8, 2024 as the record date (the “**Record Date**”) for the determination of Shareholders entitled to notice of, and to attend and vote at, the Meeting and any adjournments thereof.

Only persons registered as Shareholders of the Corporation as of the Record Date are entitled to receive notice of the Meeting or any adjournment or adjournments thereof and to vote thereat unless, after the Record Date, a Shareholder transfers its Common Shares and the transferee, not later than ten days before the Meeting, produces properly endorsed certificates evidencing such Common Shares or otherwise establishes that it owns such Common Shares and requests that the transferee’s name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

DATED as of the 9th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

“Barry D.A. Foster”

(signed)

Barry D.A. Foster

Chair of the Board of Directors

Sylogist Ltd.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

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NON-IFRS MEASURES

The Corporation utilizes and references throughout this management information circular certain measures which have not been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), such as Adjusted EBITDA, Modified Adjusted EBITDA, Capitalized Development and SaaS ARR Growth. The reader is referred to the Corporation’s annual audited and quarterly financial statements, along with the related management’s discussion and analysis of financial condition, for the definition of Adjusted EBITDA it employs and is reconciled to its most direct comparable measure under IFRS in such documents, which documents can be found on the Corporation’s profile on SEDAR+ at <http://www.sedarplus.ca>.



SYLOGIST LTD.

MANAGEMENT INFORMATION CIRCULAR Annual and Special Meeting of Shareholders to be held on June 12, 2024

INTRODUCTION

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Sylogist Ltd. (the “**Corporation**” or “**Sylogist**”) for use at the annual and special meeting of the holders (the “**Shareholders**”) of common shares in the capital of Sylogist (the “**Common Shares**”) to be held virtually via live video webcast, available online at <https://meetnow.global/MUP6NRV>, on Wednesday, June 12, 2024 at 9:00 a.m. (MST), and at any adjournment(s) thereof (the “**Meeting**”) for the purposes set out in the accompanying Notice of Annual and Special Meeting (the “**Notice of Meeting**”). Information in this Information Circular is given as at May 9, 2024, unless otherwise stated. There is enclosed herewith an instrument of proxy (an “**Instrument of Proxy**”) for use at the Meeting, together with a copy of the Corporation’s audited financial statements for the financial year ended December 31, 2023.

The Corporation will hold the Meeting as a virtual (by electronic means) only Shareholder meeting. A summary of the information you need to participate in the Meeting online is provided below under the heading “*General Proxy Information – Attending and Voting at the Virtual Meeting*”.

In order to ensure as many Common Shares as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose following the instructions set out below under the headings “General Proxy Information - Appointment of a Third Party as Proxy” and “General Proxy Information - Revocability of Proxies”. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out below under the heading “General Proxy Information - Advice to Beneficial Holders of Common Shares”.

FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements that reflect the current expectations of Sylogist about Sylogist’s future results, performance, prospects and opportunities. Sylogist has tried to identify these forward-looking statements by using words such as “may,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate,” “should”, “could”, “will”, “can”, “if”, “goal” and similar expressions. Such forward-looking statements necessarily involve known and unknown risks and uncertainties that may cause Sylogist’s actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. In particular, this Information Circular contains forward-looking information pertaining to, but not limited to, the following: strategic, performance and financial goals of Sylogist; forms of compensation, including the issuance of dividends, that are dependent on future performance of the individual or Sylogist; issuance of Common Shares under Sylogist’s various equity incentive plans; and volatility of the Common Share price.

Actual results could differ materially from those anticipated in the forward-looking statements contained in this Information Circular as a result of the risk factors set forth in Sylogist’s Annual Information Form dated April 2, 2024, available on SEDAR+ at www.sedarplus.ca. Although Sylogist believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, there can be no assurances that can be given that the expectations of Sylogist relating to future

results, levels of activity and achievements will prove to be correct. Except as may be required by law, Sylogist assumes no obligation to publicly update any forward-looking statement.

GENERAL PROXY INFORMATION

This Information Circular is furnished to the Shareholders by the management of Sylogist in connection with the solicitation of proxies to be voted at the Meeting to be held virtually at 9:00 a.m. (MST) on Wednesday, June 12, 2024, and at any adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting and in this Information Circular. A summary of the information Shareholders will need to attend the Meeting online is provided in this Information Circular.

Solicitation of Proxies

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, by telephone or through electronic means by directors or officers of the Corporation. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Common Shares pursuant to the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). This Information Circular and other proxy-related materials are not being sent to registered or beneficial owners of the Common Shares using the notice-and-access procedures contained in NI 54-101.

It is desirable that as many Common Shares as possible are represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “*Advice to Beneficial Holders of Common Shares*” in the Information Circular. To be effective, the enclosed Instrument of Proxy must be received by Computershare Trust Company of Canada (the “Transfer Agent”): (a) by mail to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof. A proxyholder need not be a Shareholder. If a Shareholder receives more than one proxy form because such Shareholder owns Common Shares registered in different names or addresses, each proxy form should be completed and returned.

Sylogist will bear the costs incurred in connection with the solicitation of proxies. The Corporation may, upon request, pay to intermediaries holding Common Shares in their names for others the charges entailed for sending out the instruments of proxy to the persons for whom they hold Common Shares.

Information contained in this Information Circular is given as of May 9, 2024 unless otherwise specifically stated.

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See “*Attending and Voting at the Virtual Meeting*”.

Appointment of a Third Party as Proxy

Registered Shareholders may vote in person at the Meeting, or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are officers of the Corporation and have been designated by the management of Sylogist to act as proxies. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT THEM AT THE MEETING OTHER THAN THE MANAGEMENT NOMINEES DESIGNATED IN THE INSTRUMENT OF PROXY ENCLOSED WITH THIS INFORMATION CIRCULAR.**

Shareholders who wish to exercise this right, **MUST** insert the name of the desired representative in the blank space provided in the form of proxy and strike out the other names or submit another appropriate proxy.

In order to be effective, the enclosed Instrument of Proxy must be received by the Transfer Agent: (a) by mail to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. The Instrument of Proxy shall be in writing under the hand of the Shareholder or their attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

Attending and Voting at the Virtual Meeting

Sylogist is holding the Meeting via live video webcast. Registered Shareholders, duly appointed proxyholders and non-registered Shareholders wishing to attend the Meeting should follow these steps:

1. Go to <https://meetnow.global/MUP6NRV> using your most commonly used web browser (note: Internet Explorer can't be used) at least 15 minutes before the Meeting starts.
 - a. For registered Shareholders, click the "Shareholder" button and enter your Invite Code (as defined below) included on the form of proxy.
 - b. For duly appointed proxyholders, click the "Invitation" button and enter the Invite Code that the Transfer Agent provided via email.
 - c. For non-registered Shareholders who have not appointed themselves as proxyholders, click the "Guest" button and complete the online form. Any non-registered Shareholders attending as guests will not be able to vote or submit questions during the Meeting.

In order to participate online, registered Shareholders and duly appointed proxyholders must use an invite code (the "Invite Code") received from the Transfer Agent. The Invite Code for registered Shareholders is located on the form of proxy. Duly appointed proxyholders will receive their Invite Code in an email sent by the Transfer Agent.

In order for proxyholder to receive an email from the Transfer Agent, the Shareholder must register the proxyholder after the Shareholder has submitted their form of proxy. To register a proxyholder, Shareholders **MUST** visit <https://www.computershare.com/Sylogist> prior to the proxy cut-off on June 10, 2024 at 9:00 a.m. (MST) and provide the Transfer Agent with their proxyholder's contact information, so that the Transfer Agent may provide the proxyholder with an Invite Code via email. **Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the meeting.**

Without an Invite Code, registered Shareholders and duly appointed proxyholders will not be able to attend and vote at the meeting. Registered Shareholders and duly appointed proxyholders should ensure they have their Invite Code ready, and allow ample time to check in. Online check-in will open one hour prior to the Meeting on June 12, 2024 at 9:00 a.m. (MST).

United States Beneficial Shareholders:

For beneficial Shareholders in the United States to attend and vote at the virtual meeting, they must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. After first obtaining a valid proxy form from their broker, bank or other agent, a copy must be submitted to the Transfer Agent in order to register to attend the Meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
100 UNIVERSITY AVENUE 8TH FLOOR
TORONTO, ON M5J 2Y1

By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received by the Transfer Agent no later than the proxy cut-off on June 10, 2024 at 9:00 a.m. (MST). A confirmation of registration by email will be sent after the Transfer Agent. In addition, beneficial shareholders in the United States are required to register their appointment at www.computershare.com/Sylogist.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). In the United States, the majority of such shares are registered in the name of CEDE & Co., which company acts as a nominee for many U.S. brokerage firms.

There are two kinds of Beneficial Shareholders - those who do not object to the issuer of the securities they own knowing who they are and how many securities they hold (“**NOBOs**” for Non-Objecting Beneficial Owners), and those who object to their name and holdings being made known to the issuer of the securities (“**OBOs**” for Objecting Beneficial Owners). Issuers can now request and obtain a list of their NOBOs from intermediaries via their transfer agent, use this list for specific purposes connected with the affairs of the Corporation (including the ability to formally recognize NOBOs at the Meeting for the purposes of voting their Common Shares in person or by proxy), and obtain and use the NOBO list for distribution of proxy-related materials directly (not, as discussed below, via Broadridge Financial Solutions, Inc. (“**Broadridge**”)).

The Corporation has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by facsimile. In addition, the Transfer Agent provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. The Transfer Agent will tabulate the results of the VIFs received from the NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These proxy-related materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder 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 Common Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

Please return your voting instructions as specified in the request for voting instructions.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from OBOs in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. **The Corporation does not know the names of the OBOs. As a result, OBOs will not be recognized at the Meeting for the purposes of voting their Common Shares in person or by proxy, without following the procedures set out by their broker or its agent.** Broadridge typically mails the proxy-related materials to the OBOs along with scannable VIF. The OBO is requested to complete and return their voting instructions to them as directed. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Management of Sylogist does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 - *Request for*

Voting Instructions Made by Intermediary, and in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting as the Beneficial Shareholder's voting instructions must be returned as directed well in advance of the Meeting in order to have the Common Shares voted. Beneficial Shareholders may revoke their VIFs in accordance with the procedure established by their broker or its agent.

Exercise of Discretion by Proxy Holders

All Common Shares represented at the Meeting by properly executed proxies will be voted, or withheld from voting as applicable, in accordance with the indicated directions included therein. **IN THE ABSENCE OF ANY SUCH DIRECTIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE FOR OF ALL THE MATTERS IDENTIFIED IN THE ACCOMPANYING NOTICE OF MEETING AND AS SET OUT HEREIN.** 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. At the date of this Information Circular, the Corporation is not aware of any amendments to, or 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 the management designees.

Revocability of Proxies

A Shareholder who has submitted 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. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by his or her authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing the proxy bearing a later date with the Transfer Agent, 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 revocation of proxy with the chair of such Meeting on the day of the Meeting, or any adjournment thereof, or in any other matter permitted by law. In addition, a proxy may be revoked by the Shareholder personally attending at the Meeting and voting his or her Common Shares.

Voting by Internet

Registered Shareholders may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please vote, sign, date and return the proxy in the envelope provided to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, so that it arrives no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting.

You may also cast your vote by telephone (1-866-732-8683 within North America, 312-588-4290 from outside North America) or internet (www.investorvote.com) by following the instructions provided on the form. If you choose to vote by telephone or internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting.

All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record, unless specifically stated otherwise.

Record Date

The board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") has fixed the close of business on May 8, 2024 as the record date (the "**Record Date**") for the determination of Shareholders entitled to notice of, and to attend and vote at, the Meeting and at any adjournments thereof. Shareholders of record at the close of business on the Record Date are entitled to notice of, and to attend and vote at, the Meeting.

Persons who are transferees of any Common Shares acquired after the Record Date and who have produced properly endorsed share certificates evidencing such share ownership or who otherwise establish to the satisfaction of Sylogist

that they own the transferred Common Shares and demand, not later than 10 days before the Meeting, that their names be included on the list of Shareholders, are entitled to vote at the Meeting. In addition, persons who are Beneficial Shareholders as of the Record Date will be entitled to vote at the Meeting in accordance with the procedures established pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators.

VOTING SECURITIES AND PRINCIPAL HOLDER THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at May 9, 2024, there were 23,391,277 Common Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of Shareholders.

To the best knowledge of the Corporation’s directors and senior officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying 10% or more of the voting rights attaching to the outstanding Common Shares other than the following.

Name	Number of Common Shares Owned or Controlled⁽¹⁾	Percent of Common Shares Currently Outstanding
PenderFund	2,549,785	10.90%
Seymour Investment Management Ltd.	2,543,500	10.87%

Note:

- (1) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, is based on publicly available information.

As at the date hereof, the current directors and officers of the Corporation as a group owned, beneficially, directly and indirectly, or exercise control and direction over, 774,197 Common Shares representing approximately 3.3% of the issued and outstanding Common Shares. The information as to the number of Common Shares beneficially owned, or controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective directors and executive officers of the Corporation individually.

MATTERS TO BE ACTED UPON AT THE MEETING

At the Meeting, Shareholders will consider the following items of regular business:

Financial Statements

The Board has approved the audited consolidated financial statements of the Corporation for the year ended December 31, 2023. At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2023, and the auditors’ report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The financial statements and the auditors’ report thereon are enclosed with this Information Circular and are also available on SEDAR+ at www.sedarplus.ca.

Effective in 2022, the Corporation changed its financial year-end from September 30 to December 31 to align with the financial reporting of most public issuers. The change in year-end results in the Corporation having had to file a one-time, 15-month transition period covering the period of October 1, 2021, to December 31, 2022 (the “**Transition Period**”). The information presented in the financial statements includes the 12 months ended December 31, 2023 compared to the 15 months ended December 31, 2022 (owing to the Transition Period). As a result, the information contained in the financial statements with respect to the Transition Period may not be comparable to previously reported periods.

Appointment of Auditor

Shareholders will be asked to consider a resolution appointing auditors of the Corporation to act until the next annual meeting of the Shareholders and to authorize the directors to fix the remuneration of the auditors. Management proposes that the firm of KPMG LLP, Chartered Professional Accountants (“KPMG”), be appointed as auditors of the Corporation. KPMG have acted as the Corporation’s auditors since July 19, 2019.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies FOR the appointment of KPMG as auditor of the Corporation at remuneration to be fixed by the Board of Directors. In order to be effective, the ordinary resolution appointing KPMG as the auditors of the Corporation must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Number of Directors

Sylogist’s articles of amalgamation (the “Articles”) provide for the Board to consist of a minimum of 1 and a maximum of 50 directors. The Articles permit the Board to appoint additional directors to serve until the next annual meeting of Shareholders, provided that the total number of directors so appointed does not exceed, at any time, one-third of the number of directors who hold office immediately after the preceding annual meeting of Shareholders.

The term of office of each of the present directors expires at the Meeting. At the Meeting, Shareholders will be asked to consider passing an ordinary resolution fixing the number of directors of the Corporation to be elected at the Meeting at seven members.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies FOR setting the number of directors to be elected at the Meeting at seven. In order to be effective, the resolution fixing the number of directors to be elected at the Meeting at seven must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Election of Board of Directors

At the present time, Sylogist has eight directors, being William C. Wood, Barry D.A. Foster, Tracy Edkins, Taylor Gray, Craig O’Neill, Ian McKinnon, Errol Olsen and Andrea Ward.

Effective June 20, 2023, PenderFund Capital Management Ltd (“PenderFund”) and the Corporation entered into a nomination agreement (the “Nomination Agreement”) pursuant to which the Corporation agreed to appoint one independent PenderFund nominee to the Board and thereafter, include one PenderFund nominee among the management recommended nominees for election to the Board at each Shareholder meeting at which directors of the Corporation are elected. In connection with the PenderFund’s nomination right, Errol Olsen was appointed as a director effective August 25, 2023 and PenderFund has confirmed that Mr. Olsen is its director nominee for election at the Meeting.

The Shareholders will be asked to consider an ordinary resolution electing directors of the Corporation to hold office until the next annual meeting of the Shareholders or until their successors are duly elected or appointed. It is proposed that each of William C. Wood, Barry D.A. Foster, Tracy Edkins, Taylor Gray, Andrea Ward, Errol Olsen (as the PenderFund nominee) and Aziz Benmalek will be nominated for election to the Board at the Meeting. Mr. O’Neill and Mr. McKinnon do not wish to renew their term as directors of the Corporation. Sylogist thanks them for their numerous contributions to the Corporation throughout their tenure as directors.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote FOR the election of said persons 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 in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting in the election of directors.

Information Regarding Proposed Directors

Below are condensed biographies for each director standing for election at the Meeting:

William C. Wood (President and Chief Executive Officer, Non-Independent)

Mr. Wood has led a number of technology companies, with over 25 years' experience in Sylogist's core verticals of not-for-profit, education, and municipal enterprises. Mr. Wood started his career as a founding member of Blackbaud Inc. In increasingly senior management roles in sales, marketing and ultimately as chief executive in a number of companies, Mr. Wood's career highlights include successes in building sales teams and marketing strategies, launching a software-as-a-service ("SaaS") charitable giving platform and leading a company's strategic transition from a niche, license-based provider to a SaaS market leader. Additionally, Mr. Wood is seasoned in strategic acquisitions, having managed a business alignment that incorporated seven entities. He was President and Chief Executive Officer of private equity-backed FrontStream, a leading SaaS provider in the not-for-profit, payments, employee giving and corporate social responsibility sectors. Throughout his career, Mr. Wood has demonstrated the ability to create significant value through both organic and inorganic initiatives.

Barry D.A. Foster (Board Chair, Independent)

Mr. Foster is President and Portfolio Manager of Innerkip Capital Management Inc. Innerkip is registered with the Ontario Securities Commission as a Portfolio Manager and Investment Fund Manager, specializing in direct investments in small and mid-cap Canadian-listed companies. Mr. Foster has over 20 years' experience funding and advising primarily small to mid-sized technology related companies listed in North America. Mr. Foster has been a Shareholder since 2006. Mr. Foster's skills developed over the course of his career includes, but are not limited to, equity mining research, securities arbitrage, derivatives, structured finance, capital markets and investment management. Mr. Foster is a graduate of the Ivey School of Business, Honours Bachelor of Arts in Business Administration and holds the Chartered Financial Analyst designation.

Tracy Edkins (Independent)

Ms. Edkins is a multi-faceted, data driven leader who brings over 20 years' experience as a dynamic talent and human capital leader of high growth companies including Splunk, eBay and Starbucks Canada. She has deep expertise in executive compensation, mergers & acquisitions, succession planning and team effectiveness. Ms. Edkins currently serves on the board of directors of D2L (TSX: DTOL), a global learning software company; and serves as an advisor to several organizations in the technology space.

Taylor Gray (Independent)

Mr. Gray, CA, CPA has been a client service partner at BDO Canada LLP with over 30 years' experience in serving entrepreneurial businesses in the areas of accounting, auditing and taxation. His clientele spanned a wide variety of industries, including public companies, privately held companies and not-for-profit organizations. In addition to his years in public accounting, he spent five years in sales for a private company and as Vice President, Finance for a public oil and gas service company. Mr. Gray also holds a B.A. (Economics) from Queens University.

Errol Olsen (Independent)

Mr. Olsen is an accomplished software industry finance executive, having served in senior leadership roles across both publicly traded and privately held companies for more than 20 years. His previous roles have included Chief Financial Officer at Traction on Demand and at Absolute Software. Mr. Olsen commenced his professional career in the audit and advisory services group at KPMG LLP, where he worked with a portfolio of technology companies. Mr. Olsen holds a CPA, CA designation and a Bachelor of Business Administration from Simon Fraser University. He brings to Sylogist a broad experience in finance, strategy development, operations, mergers and acquisitions, and governance. Mr. Olsen has been nominated as a director pursuant to the Nomination Agreement entered into between the Corporation and PenderFund on June 20, 2023.

Andrea Ward (Independent)

Ms. Ward is an accomplished product and go-to-market executive with over 20 years' experience scaling SaaS businesses and leading high performance global companies. She has broad, hands-on marketing experience across

brand and communication, demand generation, pricing, and customer success. Her experience spans industry leading SaaS companies, such as Oracle and Adobe, to small-to-mid-sized and private equity companies such as Portal Software, Magento and VidMob.

Aziz Benmalek (Independent)

Mr. Benmalek is an accomplished executive with extensive worldwide experience in the software industry. He has over 25 years' experience in building and scaling businesses and leading in high performing global organizations, across cloud and SaaS. He has broad experience in leading multiple customer segments and route-to-market across mature and emerging markets. His experience spans industry leading software companies including Microsoft, Splunk and Sage. He holds a Master of Engineering from Ecole Centrale Paris and an MBA from European Business School (ESCP).

Director Background

The following table states the names of all persons proposed to be nominated for election as a director, his or her jurisdiction of residence, all positions and offices with Sylogist presently held by him or her, his or her current principal occupation, the period during which he or she has served as a director of Sylogist, and the number of Common Shares that they have advised are beneficially owned by them, directly or indirectly, or over which control or direction is exercised by him or her, as of the date of this Information Circular.

Name and Jurisdiction of Residence⁽¹⁾	Position Presently Held with Sylogist	Principal Occupation⁽¹⁾	Date of Appointment or Election as Director	Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾
William C. Wood Massachusetts, USA	Director, Chief Executive Officer and President	President and CEO of Sylogist since November 9, 2020. Prior thereto, President and CEO of FrontStream Holdings, LLC from April 2016 to September 2019.	November 9, 2020	45,575
Barry D.A. Foster ⁽²⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada	Director, Board Chair	President and Portfolio Manager, Innerkip Capital Management since 2004.	June 25, 2019	703,700
Taylor Gray ⁽²⁾⁽³⁾⁽⁴⁾ Alberta, Canada	Director	Since January 2018, a retired Partner of BDO Canada LLP. Prior thereto, a Partner at BDO Canada LLP since January 1998.	January 1, 2018	18,200
Tracy Edkins British Columbia, Canada	Director	Corporate Director and Chair, Compensation Committee of D2L.com, a TSX listed company since July 2021; Corporate Director and Compensation Committee Chair at HappyMoney.com; Chief Human Resources Officer at Splunk.	February 7, 2024	3,222
Errol Olsen ⁽²⁾⁽⁶⁾ British Columbia, Canada	Director	Corporate consultant since January 2024. Chief Operating Officer at Uncommon Purpose Ventures from April 2022 to December 2023. Chief Financial Officer at Traction Sales and Marketing (dba as "Traction on Demand") from December 2019	August 25, 2023	3,500

to April 2022. Chief Financial Officer at Absolute Software from July 2010 to December 2019.

Andrea Ward California, USA	Director	Chief Marketing Officer at VidMob from March 2021 to February 2023; Advisor at VidMob from February 2023 to September 2023; Vice President Enterprise Marketing at Adobe, July 2019; Chief Marketing Officer at Magento until 2018, Board Member/Advisor for IMA (Internet Marketing Association).	February 7, 2024	Nil
Aziz Benmalek ⁽⁷⁾ Washington, USA	None	Prior to his nomination as a director of the Corporation, most recently President of the Sage Group from 2021 to May 2024; Vice President of Splunk from 2019 to 2021; Vice President of Microsoft from 2015 to 2018.	N/A	Nil

Note:

- (1) The information as to residence, principal occupation and voting securities beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective individuals. Does not include Common Shares issuable on the exercise of Options or DSUs.
- (2) Current member of the Audit Committee.
- (3) Current member of the Compensation Committee.
- (4) Current member of the Nominating and Governance Committee.
- (5) Mr. Foster was appointed interim CEO of Sylogist from October 1, 2020, to November 9, 2020.
- (6) Mr. Olsen is the PenderFund nominee pursuant to the Nomination Agreement between the PenderFund and Sylogist dated June 20, 2023.
- (7) Mr. Benmalek is being nominated as a director at the Meeting and does not currently serve as a director as of the date of this Information Circular.

Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed pursuant to amended and restated by-law No. 1 of the Corporation (the “**By-Laws**”) unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”) or the By-Laws.

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of the election of each of the nominees set forth in the table above as directors of the Corporation. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by not less than a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

Regulatory Matters, Bankruptcies and Insolvencies

To the knowledge of the Corporation, no proposed director of Sylogist is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Sylogist) that was subject to a cease trade order, an order similar to a cease trade or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued: (i) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) 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.

To the knowledge of the Corporation, no proposed director of Sylogist: (i) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director, or executive officer of any company (including Sylogist) 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 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to the 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.

To the knowledge of the Corporation, no proposed director 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.

Majority Voting for Directors

The Board of Directors has adopted a policy which requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director shall submit his or her resignation to the Board of Directors for consideration promptly following the Shareholders’ annual meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Nominating and Governance Committee of the Board of Directors (the “**Nominating and Governance Committee**”) shall consider the resignation and shall recommend to the Board of Directors whether or not to accept the resignation. In the absence of exceptional circumstances, the Board of Directors expects the Nominating and Governance Committee will recommend accepting such recommendation which will only be effective if accepted by the Board of Directors. The Board of Directors shall act on the Nominating and Governance Committee’s recommendation within 90 days following the applicable meeting and, if applicable, a press release disclosing the resignation shall be issued at the time of the Board of Directors’ determination. Any director who tenders his or her resignation will not participate in any meeting of the Board of Directors or any meeting of a sub-committee thereof to consider whether or not his or her resignation shall be accepted.

Approval of Unallocated Options Under the Stock Option Plan

On May 3, 2021, the Board of Directors adopted the stock option plan of the Corporation (“**Stock Option Plan**”), which was approved by Shareholders on June 2, 2021. Under the Stock Option Plan, the aggregate number of Common Shares issuable pursuant to outstanding options issued or issuable under the Stock Option Plan (“**Options**”), together with the aggregate number of Common Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the policies of the Toronto Stock Exchange (the “**TSX**”)), shall not exceed 10% of the issued and outstanding Common Shares from time to time. In addition, the number of Common Shares (i) issued to the Corporation’s insiders (as defined in the policies of the TSX in any one-year period or (ii) issuable to insiders, at any time, under the Stock Option Plan together with any other security-based compensation arrangement cannot, in either case, exceed 10% of the issued and outstanding Common Shares from time to time. The Stock Option Plan, together with RSUs and PSUs issued under the Share Unit Plan (each as defined below) which may be settled in Common Shares (or the cash equivalent or a combination of Common Shares and the cash equivalent), are the only compensation plans under which equity securities of the Corporation have been authorized for issuance from treasury and the only security-based compensation arrangements of the Corporation as defined in the policies of the TSX. A full copy of the text of the Stock Option Plan is included in Schedule “C”.

The Stock Option Plan is considered a “rolling” plan as it does not have a fixed maximum number of Common Shares that may be issued pursuant to Options. The TSX rules require that any unallocated options, rights or entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable under it, such as the Stock Option Plan, must be approved by a majority of the issuer’s directors and shareholders every three years.

The unallocated Options under the Stock Option Plan were last approved by the Shareholders at the annual and special meeting held on June 2, 2021. At the Meeting, Shareholders will be asked to consider an ordinary resolution approving the unallocated Options under the Stock Option Plan. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Options under the Stock Option Plan until June 12, 2027. All outstanding grants of Options under the Stock Option Plan, including any Options granted between the date

of this Information Circular and the Meeting, will continue in effect even if Shareholder approval is not obtained at the Meeting. If Shareholder approval is not obtained at the Meeting, all Options which are not allocated as of June 12, 2024, and all Options which are outstanding as of June 12, 2024, and are subsequently cancelled, terminated or exercised will not be available for grant or re-grant, as applicable, under the Stock Option Plan. The Board has unanimously approved the unallocated Options under the Stock Option Plan. As discussed in this Information Circular under the heading “*Executive Compensation – Compensation Discussion and Analysis*”, Options granted under the Stock Option Plan may be awarded to the Corporation’s directors, officers, employees, consultants or other personnel of the Corporation or a subsidiary of the Corporation. The purpose of the Stock Option Plan is to recognize the contributions of these individuals and advance the interests of the Corporation by encouraging and enabling their acquisition of Common Shares, thereby directly aligning their interests with the interest of Shareholders. The Corporation views the continuing ability to grant Options under the Stock Option Plan as being key to attracting, retaining and motivating the personnel necessary for the Corporation’s future success. As at May 9, 2024, there were 23,391,277 Common Shares outstanding, 1,168,000 Options and 240,959 RSUs outstanding issued and outstanding (counting 16,010 RSUs to be awarded in the ordinary course on or about May 13, 2024), leaving 930,169 Common Shares issuable pursuant to additional grants of Options, RSUs and PSUs.

Approval Required

Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve the following ordinary resolution approving all unallocated Options under the Stock Option Plan:

“BE IT RESOLVED, as an ordinary resolution, THAT:

1. all unallocated Options (including the Common Shares to be issued pursuant to the exercise of such Options) under the Corporation’s Stock Option Plan are hereby approved;
2. the Corporation shall have the ability to continue granting Options under the Corporation’s Stock Option Plan until June 12, 2027, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such further acts and things and to execute such further agreements and other documents for and on behalf of the Corporation as such director or officer may consider necessary, desirable or useful having regard to this resolution.”

Unless otherwise directed, the management designees, if named as proxyholder, intend to vote proxies IN FAVOUR of the approval of unallocated Options under the Stock Option Plan.

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

Other Business

While management is not aware of any 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.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This discussion describes and explains all significant elements of compensation awarded to, earned by, paid to or payable to the Corporation’s executive officers for the financial year ended December 31, 2023. Such persons include those who acted as Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) for the Corporation and: (i) the Corporation’s three most highly compensated executive officers, or the three most highly compensated

individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year (each a “**Named Executive Officer**” or “**NEO**” and collectively the “**Named Executive Officers**” or “**NEOs**”).

During the financial year ended December 31, 2023, the Corporation had five (5) Named Executive Officers, namely: William C. Wood, President and CEO; Sujeet Kini, CFO; Grant McLarnon, Chief Revenue Officer; Theresa LoPresti, Chief Technology & Innovation Officer; and Donna Smiley, Chief Customer Officer.

Compensation Governance

The Compensation Committee of the Board (the “**Compensation Committee**”) is responsible for reviewing the compensation program for the executive officers of the Corporation and making recommendations to the Board. The Corporation’s executive compensation program is designed to attract highly qualified and motivated individuals and to compensate executives based on performance and at a level competitive with peer companies.

The Compensation Committee assists the Board in establishing and monitoring the compensation of the directors, officers and key employees of the Corporation and aligning compensation with the strategies, business plans and objectives of the Corporation with the assistance of independent professional consultants when deemed necessary in fulfilling its duties under its mandate. The Compensation Committee is charged with annually assessing and making a recommendation to the Board with regard to the competitiveness and appropriateness of the compensation package of the CEO and other officers of the Corporation and periodically, but at least every third year, reviewing and making a recommendation to the Board regarding the compensation of directors.

During the financial year ended December 31, 2023, the Compensation Committee was comprised of Taylor Gray, Craig O’Neill and Ian McKinnon, each of whom have direct experience with matters of executive compensation from past and present occupations and are all independent. In executive capacities, Messrs. Gray, O’Neill and McKinnon have participated in the setting of policy for executive compensation, as well as having other company’s executive compensation policies applied directly to them in their various executive roles. As considered necessary, the Compensation Committee has sought the advice of external advisors, including compensation advisor Global Governance Advisors (“**GGA**”) in considering and recommending policies for executive and director level compensation for the Corporation to the Board of Directors. The Compensation Committee has and continues to review the cash compensation, performance and overall compensation package of each executive officer, including the NEOs, on an annual basis and makes recommendations to the Board as a whole. During the financial year ended December 31, 2023, the Compensation Committee met two times.

Compensation Program

The objective of the Corporation’s executive compensation program is to motivate, reward and retain management talent that is needed to achieve the Corporation’s business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and performance, and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Compensation Committee gives consideration to the Corporation’s long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual’s performance and achievements.

The Corporation’s compensation program consists of, among other things, set benchmarks and peer company analysis, and the monitoring and evaluating of performance based on the Corporation’s Adjusted EBITDA, which is reviewed quarterly and annually in conjunction with the Corporation’s budgeting process. The Corporation has historically relied on discussions, among management, the Board, GGA and other professional advisors as to what are reasonable and rewarding objectives for executive officers, always remaining mindful of and seeking to align those objectives with the interests of the Corporation’s stakeholders.

The Corporation’s compensation program consists of three components: (1) base salaries, (2) long term equity incentives granted pursuant to the Corporation’s long term incentive plans discussed below; and (3) discretionary bonuses. The NEOs receive a modest health spending allowance that is available to all employees (with distinctions between employees located in Canada and the U.S.) The Compensation Committee reviews the various aspects of the Corporation’s compensation program from time to time to ensure the effectiveness of the program and whether it

adequately reflects the Corporation's business objectives. Details regarding the components of the compensation package are as follows:

- *Annual base salary* – Base salaries are typically determined by assessing the executives' abilities, experience, level of responsibility and relative value to the Corporation. Consideration is also given to general marketplace demand for individuals with similar qualifications, and the level of ease or difficulty in filling key positions;
- *Long term equity incentives* – The Corporation's long-term incentive program involves the granting of Options, restricted share units and performance share units from time to time to the executive officers of the Corporation. Long term equity incentives are intended to encourage the maximization of Shareholder value by better aligning the interests of the executive officers with the interests of Shareholders. Previous long term equity incentive grants are taken into account when considering grants of new Options, RSUs and PSUs (as defined below). Significant terms of the Stock Option Plan and the Share Unit Plan (defined below) are outlined under the headings "*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of the Stock Option Plan*" and "*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of the Share Unit Plan*" below; and
- *Performance bonuses* – Bonuses for senior management are determined by the Board on the recommendation of the Compensation Committee based on the individual performance of the officer in question and in particular, the officer's achievement of performance goals, which may be evaluated by the Board using both objective and subjective criteria.

Fundamentally, the Corporation is growth oriented, focused on revenue growth, profitability, and total economic return for its Shareholders, and has strived to design and implement a compensation program that is aligned with those objectives. Meaningful growth can be achieved through organic initiatives or through strategic acquisitions, in either case focusing on the economic returns to the Corporation, which requires executive management experience, insight and discipline. The Corporation considers it paramount to ensure sustainability, reinvestment, growth and competitiveness. Total economic return is the Shareholder's return on investment, in terms of capital appreciation, reinvestment in growth, and dividend distributions.

While seeking to ensure that its executive compensation program is motivational and competitive, the Compensation Committee and the Board of Directors are guided by the overarching principle that a high level of total compensation should be variable and aligned to performance. As such, the compensation program for executives, while respective of their achievements, levels of expertise, responsibilities and length of service, is designed to reward them, together with Shareholders, for delivering superior business performance.

Risks of Compensation Policies and Practices

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. The Compensation Committee and the Board of Directors have considered the implications of the risks associated with the Corporation's compensation practices and has determined that there are no significant areas of risk given the nature of the compensation provided. As part of its review and discussion of executive compensation, the Compensation Committee noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's operating strategy and related compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and
- the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives.

Based on this review, the Compensation Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

The Corporation has in place a policy which restricts its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director. The Corporation's code of business conduct and ethics for directors, officers and employees of Sylogist (the "Code") prohibits insiders of the Corporation from transacting in the Corporation's shares with knowledge of material information that has not been disclosed to the public.

Elements of Compensation

Salary

In determining the base salary of an executive officer, including a NEO, the Compensation Committee and the Board of Directors places equal weight on the following factors: (i) the particular responsibilities related to the position; (ii) salaries paid by comparable businesses; (iii) the experience level of the executive officer; and (iv) his or her overall performance. Salaries of the executive officers are not determined based on benchmarks or a specific formula.

Bonus

In 2021, the Board of Directors approved an annual employee performance management framework for the entire company, which was put into action in 2022. This framework applies to all non-variable compensated employees such as the NEOs. Sales team members are covered by a separate variable compensation plan. Eligibility for bonuses under this framework is determined by individual performance and the overall performance of Sylogist in meeting strategic objectives. These Board-determined objectives may change each year. For the 2023 fiscal year, the Board set strategic objectives as follows: SaaS ARR Growth and a combined target of Modified Adjusted EBITDA (Adjusted EBITDA + Capitalized Development) plus total revenue growth. Maximum potential bonuses are role-dependent and are designed to align employee compensation with the Corporation's value creation objectives. All executives are subject to this performance management framework. Performance metrics may be adjusted annually based on factors such as past achievement of targeted priorities and the overall alignment of strategic financial goals.

Share-Based Long Term Equity Incentive Compensation

The Stock Option Plan was established to provide directors, officers, employees and consultants of the Corporation, or any of its subsidiaries, with an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and efforts of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Stock Option Plan shall govern all future Options granted under the Stock Option Plan and all outstanding Options granted under any previous stock option plan of the Corporation. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of the Stock Option Plan*" in this Information Circular.

On March 30, 2022, the Shareholders considered and approved the share unit plan of the Corporation (the "**Share Unit Plan**"), which was adopted by the Board of Directors on February 25, 2022. The Share Unit Plan authorizes the Corporation to grant restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**"), and together with RSUs and PSUs, the "**Units**" and each, a "**Unit**") to directors, officers and employees of the Corporation or any of its affiliates (collectively, "**Participants**"). In the case of PSUs and RSUs, officers or employees (but for clarity, not any non-employee directors) of the Corporation or its affiliates or such other employee that the Board determines to be eligible may be considered eligible persons. In the case of DSUs, a director or an officer of the Corporation or its affiliates may be considered eligible persons under the Share Unit Plan. Each Participant who is eligible to receive DSUs under the Share Unit Plan may elect, once each calendar year, to receive, in the case of directors, up to 100% of such director's annual board retainer and, in the case of officers or employees determined to be eligible to receive DSUs, up to 100% of such officer's or employee's base salary or annual incentive award, in DSUs. Pursuant to the terms of the Share Unit Plan, the DSUs may be settled in cash only, and not Common Shares. The purpose of the Share Unit Plan is to advance the interests of the Corporation and its Shareholders by providing the Participants a performance incentive that aligns with the strategic goals of the Corporation and the

interests of Shareholders. See “*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of the Share Unit Plan*” in this Information Circular.

Annual Burn Rate

The annual burn rate for each security-based compensation arrangement for the two most recently completed financial years, expressed as a percentage and calculated by dividing the number of awards granted during the financial year by the weighted average number of Common Shares outstanding for the financial year, is set forth in the following table:

Financial Year Ending December 31	Burn Rate		
	PSU	RSU	Options
2023	0%	1.0%	0.6%
2022	0%	0%	0%

Summary Compensation Table

The following table sets forth for the financial year ended September 30, 2021, the Transition Period ended December 31, 2022, and the financial year ended December 31, 2023, information concerning the total compensation paid to the Corporation’s Named Executive Officers. Effective in 2022, the Corporation changed its financial year-end from September 30 to December 31 to align with the financial reporting of most public issuers. **The 2022 change in the Corporation’s year end results in the Corporation providing the compensation information below on a one-time, 15-month Transition Period basis covering the period of October 1, 2021, to December 31, 2022 as compared to prior 12-month fiscal years.**

Name and Principal Position	Year	Salary (\$)	Share- Based Awards ⁽¹⁾ (\$)	Option- Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾		Pension Value ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plan (Bonus) (\$)	Long- Term Incentive Plans (\$)			
William C. Wood ⁽⁶⁾⁽⁷⁾⁽⁸⁾ <i>President and CEO</i>	2023	809,889	735,110	Nil	419,729	Nil	N/A	44,825	2,009,552
	2022	969,975	Nil	Nil	243,361	Nil	N/A	33,313	1,246,649
	2021	677,848	Nil	896,144	455,304	745,190	N/A	28,646	2,803,132
	2023	233,333	60,519	126,400	24,915	Nil	N/A	Nil	445,167
Sujeet Kini ⁽⁹⁾ <i>Chief Financial Officer</i>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-

Grant McLarnon ⁽¹⁰⁾ Chief Revenue Officer	2023	325,000	100,547	Nil	37,446	Nil	N/A	6,906	469,899
	2022	18,542	Nil	Nil	Nil	Nil	N/A	Nil	18,542
	2021	-	-	-	-	-	-	-	-
Theresa LoPresti ⁽¹¹⁾⁽¹²⁾ Chief Technology & Innovation Officer	2023	447,426	237,431	Nil	162,199	Nil	N/A	13,344	860,400
	2022	527,505	Nil	Nil	89,748	Nil	N/A	Nil	617,253
	2021	287,202	Nil	759,820	123,311	255,191	N/A	Nil	1,425,524
Donna Smiley ⁽¹³⁾ Chief Customer Officer	2023	310,431	118,658	Nil	82,707	Nil	N/A	10,776	522,573
	2022	339,491	Nil	Nil	40,943	Nil	N/A	Nil	380,434
	2021	265,629	Nil	41,929	57,801	Nil	N/A	Nil	365,359

Notes:

- (1) Includes a one-time award that must be held for five years from the date of joining Sylogist.
- (2) Non-cash dollar value of Option-based compensation calculated is in accordance with the Black-Scholes-Merton Model and/or the Binomial Model, as appropriate, based on the grant date fair market value for the year ended December 31, 2023. The Corporation used assumptions and estimates in determining the inputs used in the Black-Scholes-Merton Model, including assumptions regarding volatility, dividend yield, risk-free interest rates, forfeiture estimates and expected Option lives.
- (3) Dollar value of all amounts earned for services performed during the fiscal year, and in the case of 2022, the one time 15-month Transition Period ended December 31, 2022, that are related to awards under non-equity incentive plans.
- (4) The Corporation does not have any plans in place that provide for the payment of pension plan benefits.
- (5) The NEOs receive a modest health spending allowance that is available to all employees (with distinctions between employees located in Canada and the U.S.). The Corporation pays for disability and life insurance for the benefit of Mr. Wood.
- (6) Mr. Wood is also a director of the Corporation. Mr. Wood receives no compensation in his capacity as a director.
- (7) Mr. Wood was appointed President and CEO of the Corporation on November 9, 2020. For Mr. Wood's annual incentive plan bonus for 2021 and 2022, he elected that 25% of the cash amount be paid on the date of his five-year anniversary of employment with the Corporation. Mr. Wood did not make this election in respect of his annual incentive plan bonus for 2023.
- (8) Mr. Wood was granted 500,000 Options on November 10, 2020, at an average price of \$10.30. See also "Deferred Compensation Plans" below. 250,000 of these Options will only be exercisable in the event that the Common Shares have traded at a price of not less than \$15.00 per share on the TSX (or such other stock exchange on which the Common Shares principally trade) for a period of 30 consecutive trading days.
- (9) Mr. Kini was appointed CFO of Sylogist on May 1, 2023.
- (10) Mr. McLarnon was appointed Chief Revenue Officer of Sylogist on December 12, 2022.
- (11) Ms. LoPresti was appointed Chief Technology & Innovation Officer of Sylogist USA Inc. on January 18, 2021.
- (12) Ms. LoPresti was granted 225,000 Options on January 19, 2021, at an average price of \$11.78. See also "Deferred Compensation Plans" below. Each one-third (75,000) of these Options will only be exercisable provided that the Common Shares have traded at prices of not less than \$15.00, \$17.00 and \$19.00 per share, respectively, on the TSX (or such other stock exchange on which the Common Shares principally trade) for a period of 30 consecutive trading days.
- (13) Ms. Smiley was appointed Chief Customer Officer of Sylogist on December 22, 2022.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth for each of the NEOs all Option-based and share-based awards outstanding at the end of the financial year ended December 31, 2023, during which period Options were granted to NEOs.

Name	Option-Based Awards					Share-Based Awards		
	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)	Number of Common Shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
William Wood ⁽²⁾	November 10, 2020	500,000	10.30	November 10, 2025	Nil	129,229	964,248	652,671
Sujeet Kini ⁽⁴⁾	June 5, 2023	150,000	5.87	May 1, 2028	238,500	8,992	67,080	Nil
Grant McLamon	Nil	N/A	N/A	N/A	N/A	14,940	111,452	N/A
Theresa LoPresti ⁽³⁾	January 19, 2021	225,000	11.78	January 19, 2026	Nil	53,110	396,599	276,159
Donna Smiley	November 10, 2020	25,000	10.30	November 10, 2025	Nil	16,579	123,777	21,788

Notes:

- (1) Calculated based on the differences between the closing price of \$7.46 per Common Share on the TSX on December 31, 2023 and the exercise price of the Options, multiplied by the number of Common Shares under the Option.
- (2) 250,000 of these Options will only be exercisable provided that the Common Shares have traded at a price of not less than \$15.00 per Common Share on the TSX (or such other stock exchange on which the Common Shares principally trade) for a period of 30 consecutive trading days.
- (3) Each one-third (75,000) of these Options will only be exercisable provided that the Common Shares have traded at prices of not less than \$15.00, \$17.00 and \$19.00 per Common Share, respectively, on the TSX (or such other stock exchange on which the Common Shares principally trade) for a period of 30 consecutive trading days.
- (4) Each one-third (50,000) of these Options will only be exercisable provided that the Common Shares have traded at prices of not less than \$15.00, \$17.00 and \$19.00 per Common Share, respectively, on the TSX (or such other stock exchange on which the Common Shares principally trade) for a period of 30 consecutive trading days.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO the value of incentive plan awards which vested during the financial year ended December 31, 2023.

Outstanding Share Based Awards and Option-Based Awards

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Bill Wood	Nil	71,971	Nil
Sujeet Kini	Nil	Nil	Nil
Grant McLamon	Nil	Nil	Nil
Theresa LoPresti	Nil	119,959	Nil
Donna Smiley	Nil	21,788	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the TSX underlying the Options at the vesting date and the exercise price of the Option on the vesting date.
- (2) Calculated based on the market price of the Common Shares on the TSX on December 31, 2023.

Aggregated Stock Option Exercises

The NEOs exercised nil Options during the fiscal year ended December 31, 2023.

Pension Plan Benefits

The Corporation currently does not have any pension plan benefits in place for its NEOs.

Defined Contribution Plans

The Corporation does not have any defined contributions plans in place for its NEOs.

Deferred Compensation Plans

On November 9, 2020, the Corporation granted 100,000 phantom interest award units (“PIAUs”) to Mr. Wood, which will entitle him to a cash payment after five years of service or when a payment event occurs, whichever is first. A “payment event” for the PIAUs may be any of, or any combination of, the following events as elected by the awardee: (a) a specified date determined by the awardee that will not be less than five years from the effective date of their employment agreement; (b) death; (c) termination of employment due to disability; or (d) a change in control, all as defined in the PIAUs. 50,000 PIAUs vested on the grant date and the remaining 50,000 PIAUs will vest in equal installments of 10,000 PIAUs on each of the first five anniversaries of the grant date if the executive has remained employed with the Corporation through the anniversary date. On January 18, 2021, the Corporation granted 50,000 PIAUs to Ms. LoPresti, which will entitle her to a cash payment after five years of service or when a payment event occurs, whichever is first. 10,000 PIAUs vested on the grant date and the remaining 40,000 PIAUs will vest in equal installments of 10,000 PIAUs on each of the first four anniversaries of the grant date if the executive has remained employed with the Corporation through the anniversary date. The amount of cash payment for each vested PIAU shall be equal to the value of a Common Share as of the payment date plus any dividends accrued on vested Common Shares.

The share-based payments for the fiscal year ended December 31, 2023 was \$1,142,000 based on average exchange rate for the period (December 31, 2022 - \$75,000), it is \$2,237,000 on the consolidated statement of the financial position, translated at the year-end spot rate.

The input used in the measurement of the fair values at grant date and measurement date of the PIAUs were as follows:

	Grant date November 9, 2020	Grant date January 18, 2021	Measurement date December 31, 2023
Fair value			
Share price	\$ 9.90	\$ 11.69	\$7.46
Exercise price	\$ 9.90	\$ 11.69	\$7.46
Expected volatility (weighted average)	34.9%	45.7%	42.0%
Expected life (weighted average)	5 years	5 years	1.9 to 2.1 years
Expected dividends	5%	3%	0.5%
Risk free interest rate (based on government bonds)	0.43%	0.41%	3.05%

Expected volatility has been based on an evaluation of the historical volatility of the Corporation’s share price. The expected term of the instruments has been based on historical experience and general Option holder behavior.

Termination and Change of Control Benefits

Mr. Wood’s employment agreement provides for, in addition to standard terms relating to base salary, bonus, benefits and vacation, payment of amounts equal to one times his latest fiscal years’ base salary and all benefits plus one additional month for each completed year of employment to a maximum of 18 months, and, only for performance

periods completed before the date the employment agreement is terminated, performance bonuses for any such periods not yet paid to Mr. Wood, as well as 10% of the base salary entitlement for the notice period in lieu of benefits, in the event of termination without cause or a change of control.

Mr. Kini's employment agreement provides for six months' base salary plus one additional month for each completed year of employment to a maximum of 12 months, plus 10% of his base salary in lieu of benefits, in the event of termination without cause or a change of control.

Ms. LoPresti's employment agreement was revised effective March 16, 2023 and provides for, in addition to standard terms relating to base salary, bonus, benefits and vacation, payment of amounts equal to 0.5 times her latest fiscal years' base salary and all benefits, plus one additional month for each two completed months of employment to a maximum of 12 months, plus 10% of such amount in lieu of benefits, in the event of termination without cause or a change of control.

Mr. McLarnon's employment agreement provides for, in the event of termination without cause, three months' base salary plus one additional month for each year of service after 18 months to a maximum of six months.

Ms. Smiley's employment agreement provides for, in the event of termination without cause, a one-time payment in the amount of twelve months' base salary, with no right to receive any further payment in lieu thereof. See "*Summary Compensation Table*" above.

"change of control" means:

- (a) the acquisition of control by whatever means including, without limitation, by purchase of securities, amalgamation, consolidation, arrangement, merger, directly or indirectly, by one person or a group of two or more persons acting in concert to control the Corporation who, by means of such acquisition, intends to exercise voting rights attributable to voting securities of the Corporation which, together with the voting rights currently held by such person or persons, would give that person or persons control of the Corporation;
- (b) the acquisition, by whatever means, directly or indirectly, by any person of voting securities of the Corporation, which securities, together with securities of the Corporation held, directly or indirectly, by such person or a group of two or more persons acting in concert to control the Corporation, have votes attached thereto exceeding 50% of the number of votes attached to all of the issued and outstanding voting securities the Corporation and which acquisition results in a change in more than one-half of the members of the Board of Directors in any consecutive 12-month period during the term of the employment of the executive with the Corporation;
- (c) the sale, lease or exchange of all or substantially all of the assets, property or undertaking of the Corporation;
- (d) the passing of a resolution by the Board of Directors of the Corporation or the holders of voting shares to substantially liquidate the assets or wind up the Corporation or significantly rearrange the affairs of the Corporation in one or more transactions or a series of transactions or the commencement of proceedings for such liquidation, winding-up or rearrangement (except where such resolution relating to a liquidation, winding up or rearrangement is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued and where the voting share holdings remain substantially the same following the reorganization as existed prior to the reorganization);
- (e) the concurrent departure (whether by resignation, termination or otherwise) of a majority of the independent directors from the Board of Directors of the Corporation as a result of a difference of opinion over a significant policy matter; or
- (f) any other event as determined by the Board of Directors which reasonably constitutes a change of control.

Estimated Incremental Payments and Benefits as of December 31, 2023

The following table sets forth the estimated incremental payments and benefits that would be received by NEOs following a “change of control” of the Corporation, had such event occurred on December 31, 2023.

Name	Payments ⁽¹⁾ (\$)	Long-Term Incentives ⁽²⁾⁽³⁾ (\$)	Total (\$)
William C. Wood <i>President & CEO</i>	1,126,739	1,616,919	2,743,658
Sujeet Kini <i>Chief Financial Officer</i>	227,948	305,580	533,528
Grant McLaron <i>Chief Revenue Officer</i>	99,198	111,452	210,650
Theresa LoPresti <i>Chief Technology & Innovation Officer</i>	336,716	672,758	1,009,474
Donna Smiley <i>Chief Customer Officer</i>	310,431	145,565	455,996

Notes:

- (1) As provided in the employment agreement with each of the relevant NEOs upon a “change of control”, change of responsibilities, termination without just cause or such other events as further described under “*Termination and Change of Control Benefits*” above, on December 31, 2023.
- (2) As provided for in the Stock Option Plan, assuming a change of control on December 31, 2023, with all unvested Options held by NEOs vesting and becoming immediately exercisable. Certain vested Options are exercisable once specified share price conditions are met. Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 30, 2023, being the last trading day in the Corporation’s fiscal year ended December 30, 2023, of \$7.46.
- (3) The RSU terms require that in the event of a “change of control”, all unvested RSUs then outstanding will be, as applicable, substituted by or replaced with units of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) on the same terms and conditions as the original RSUs, subject to appropriate adjustments that do not diminish the value of the original RSUs. In the event that such replacement does not occur, or if the employee is terminated within 12 months of the “change of control”, then all of the previously unvested RSUs will be accelerated in full.

DIRECTOR COMPENSATION

Philosophy and Approach

The Board is responsible for developing, implementing and overseeing the non-executive director’s compensation program and has delegated to the Compensation Committee responsibility for evaluating and making recommendations to the Board regarding non-executive director compensation. The compensation practices for directors take into consideration:

- the Corporation’s strategy and desired culture;
- the risks and responsibilities of the non-executive directors;
- the fairness and reasonableness, reflecting the time and effort required by a director;
- the complexities, risks, skillsets and value associated with directors on the Board; and
- the affordability to the organization.

The Compensation Committee reviews the market competitiveness of non-executive director’s compensation against companies of similar size and scope. It also considers the time commitment and experience required of members to serve on the Board and to ensure it attracts and retains qualified directors. The Corporation benchmarks its compensation to the median of the peer group. The peer group is developed based on companies generally aligning within the following criteria:

- of similar size from a market cap, revenue and total assets basis;
- similar industry segment as the Corporation; and

- similar business strategy and scope of operations.

Director Compensation Policy

Non-executive directors are eligible to receive an annual retainer, which is awarded as cash and may be received as equity (any portion up to 100% in DSUs). Non-executive directors are paid an annual fee set at \$50,000. The directors do not receive per meeting fees. Chairs of both the Board and its committees are entitled to an incremental fee above the annual fee paid to directors. In addition, directors are reimbursed by the Corporation for their expenses for attending Board and committee meetings.

Prior to October 1, 2022, Sylogist’s non-executive directors earned cash fees only but could elect to receive all or a portion of their payment in DSUs. Effective as of October 1, 2022 a summary of Sylogist’s non-executive director annual compensation program is summarized in the following table:

Non-Executive Director Retainer	Annual Cash Retainer Amount⁽¹⁾	Annual DSU Retainer Amount⁽²⁾
Non-executive director	\$50,000	\$60,000
Chair of the Board	+\$20,000	\$70,000
Audit Committee Chair	+\$15,000	
Compensation Committee Chair	+\$10,000	
Nominating and Governance Committee Chair	+\$10,000	

Notes:

- (1) A non-executive director can elect to receive the annual cash retainer portion in cash and/or DSUs. Effective October 1, 2022, 50% of the cash portion of the non-executive directors’ fees will be received in DSUs unless the director elects otherwise. No directors made such election to receive all cash and all directors received a combination of cash and DSUs for the Transition Period.
- (2) Commencing October 1, 2022, DSUs are granted quarterly at the five-day volume weighted average trading price of the Common Shares on the TSX preceding the date of grant.

Director Compensation Table

The following table sets forth for the year ended December 31, 2023, information concerning the total compensation paid to the Corporation’s non-executive directors. Mr. Wood, the President and CEO of the Corporation, receives no compensation in his capacity as a director.

Name	Fees Earned (\$)	Share-Based Awards Elected⁽¹⁾ (\$)	Share-Based Awards Awarded⁽²⁾ (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Taylor Gray	32,500	32,500	60,000	Nil	Nil	Nil	Nil	125,000
Barry Foster	40,000	40,000	70,000	Nil	Nil	Nil	Nil	150,000
Craig O’Neill	25,000	25,000	60,000	Nil	Nil	Nil	Nil	110,000
Ian McKinnon	Nil	50,000	60,000	Nil	Nil	Nil	Nil	110,000
Janice P. Anderson ⁽³⁾	11,413	30,000	45,000	Nil	Nil	Nil	Nil	86,413
Errol Olsen ⁽⁴⁾	Nil	17,568	21,082	Nil	Nil	Nil	Nil	38,650

Notes:

- (1) Portion of annual fees voluntarily elected to be received as DSUs rather than cash. DSUs are granted quarterly at the five-day volume weighted average trading price of the Common Shares on the TSX preceding the date of grant.
- (2) DSUs are granted quarterly at the five-day volume weighted average trading price of the Common Shares on the TSX preceding the date of grant.
- (3) Ms. Anderson resigned as a director of the Corporation effective August 25, 2023.
- (4) Mr. Olsen was appointed as a director of the Corporation effective August 25, 2023.

Directors' Outstanding Share-Based Awards and Option-Based Awards

Applicable Canadian securities legislation defines a “share-based award” as 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. On March 30, 2022, Sylogist adopted the Share Unit Plan, which allows for the grant of DSUs to non-executive directors of the Corporation. DSUs fall within the definition of “share-based award”.

For more information regarding the Share Unit Plan, see “*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of Share Unit Plan*”. Applicable Canadian securities legislation defines an “option-based award” as an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. Sylogist has not granted any “option-based awards” to its non-executive directors since 2020. The following table sets forth information regarding all share-based awards and option-based awards outstanding as at December 31, 2023 that were held by each individual who was serving as a non-executive director on such date.

Name	Option-Based Awards					Share-Based Awards		
	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)	Number of Common Shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
Taylor Gray	October 17, 2019	15,000	10.65	October 16, 2024	Nil	Nil	N/A	151,386
	November 10, 2020	25,000	10.30	November 10, 2025				
Barry Foster	October 17, 2019	60,000	10.65	October 16, 2024	Nil	Nil	N/A	180,741
	November 10, 2020	50,000	10.30	November 10, 2025				
Craig O'Neill	November 10, 2020	24,000	10.30	1/2 on each of November 10, 2024 and 2025	Nil	Nil	N/A	136,511
Ian McKinnon	April 8, 2021	36,000	\$15.33	1/3 on each of April 8, 2024, 2025 and 2026	Nil	Nil	N/A	181,621
Janice P. Anderson ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	N/A	172,736
Errol Olsen ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	N/A	41,261

Notes:

- (1) Calculated based on the differences between the closing price of \$7.46 per Common Share on the TSX on December 30, 2023 and the exercise price of the Options, multiplied by the number of Common Shares under the Option.
- (2) Non-cash dollar value of Option-based compensation calculated in accordance with the Black-Scholes-Merton Model and based on the grant date fair market value for the financial year ended December 31, 2023.
- (3) Ms. Anderson resigned as a director of the Corporation effective August 25, 2023.
- (4) Mr. Olsen was appointed as a director of the Corporation effective August 25, 2023.

Director Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each director of the Corporation, other than directors who are also NEOs, the value of incentive plan awards which vested during the financial year ended December 31, 2023.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾	Share-Based Awards - Value Vested During the Year	Non-Equity Incentive Plan Compensation - Value Earned During the Year
	(\$)	(\$)	(\$)
Craig O’Neil	Nil	Nil	Nil
Barry Foster	Nil	Nil	Nil
Taylor Gray	Nil	Nil	Nil
Ian McKinnon	Nil	Nil	Nil
Janice P. Anderson	Nil	Nil	Nil
Errol Olsen	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Share on the TSX underlying the Options at the vesting date and the exercise price of the Option on the vesting date.

Executive Officer and Director Share Ownership

The Board believes that share ownership is important because it aligns the interest of the directors and the executives with those of the shareholders of the Corporation. According to the Corporation’s share ownership policy, directors are required to own at least 3x their annual cash retainer in the Corporation’s equity within five years of being elected to the Board. Equity ownership includes Common Shares and DSUs.

For the NEOs, their individual share ownership requirement exist in their respective employment agreements. The Corporation’s President and CEO is required to own at least 2x his or her annual base salary (plus any base salary from affiliates and subsidiaries of the Corporation) in the Corporation’s equity within five years of appointment. The Corporation’s CFO is required to own at least 3x his or her annual base salary (plus any base salary from affiliates and subsidiaries of the Corporation) in the Corporation’s equity within five years of appointment. In addition, the Corporation’s CFO shall have acquired and shall hold 20% of the Corporation’s ownership threshold (the “**Ownership Threshold**”) by the first anniversary of his or her employment agreement and an average increase of holdings of not less than 20% of the Ownership Threshold per annum thereafter calculated on each anniversary date. The Corporation’s Chief Technology Officer is required to own at least US\$100,000 in the Corporation’s equity within five years of appointment. The Corporation’s other executive officers, including NEOs Grant McLarnon and Donna Smiley, are encouraged to own at least 2x their annual base salary in the Corporation’s equity within five years of appointment. All newly appointed executives will have share ownership requirements specified in their employment agreements.

Equity ownership includes Common Shares and vested PIAUs but does not include PSUs, RSUs or Options. In the event of promotion or salary/retainer increase, the executive officer or director will have three years from the time of the promotion or the increase, as applicable, to meet the minimum shareholding requirement. We measure the value of the director and executive officer equity holdings at the closing Common Share price at May 9, 2024.

	Ownership Requirement (\$)⁽¹⁾	Common Shares	Vested Phantom Shares	DSUs	Tenure and Percentage to Target Date (5 years)⁽²⁾	Ratio⁽³⁾
Executives						
Bill Wood	\$1,648,812	45,575	80,000	Nil	3 years and 6 months (70%)	0.97 x
Sujeet Kini	\$1,050,000	16,400	Nil	Nil	1 year and 0 months (20%)	0.68 x
Theresa LoPresti	\$137,401	Nil	40,000	Nil	3 years and 4 months (66%)	3.91 x
Grant McLarnon	Nil	Nil	Nil	Nil	Nil	Nil
Donna Smiley	Nil	5,300	Nil	Nil	Nil	Nil
Directors						
Barry Foster	\$240,000	703,700	Nil	27,319	4 years and 11 months (98%)	27.83 x
Taylor Gray	\$195,000	18,200	Nil	22,892	6 years and 4 months (100%)	1.87 x
Errol Olsen	\$150,000	3,500	Nil	8,622	9 months (14%)	5.08 x
Andrea Ward	\$150,000	Nil	Nil	1,416	3 months (5%)	1.66 x
Tracy Edkins	\$150,000	3,222	Nil	999	3 months (5%)	4.96 x

Notes:

- (1) Expressed in Canadian dollars. For NEOs paid in United States dollars, converted at Bank of Canada's USD/CAS rate for May 9, 2024.
- (2) This column denotes the individual's time served with the Corporation and expresses it as a percentage of the time permitted to meeting their ownership requirement.
- (3) Using the closing price of \$8.88 per Common Share on May 9, 2024 on the TSX. This column denotes the individual's eligible equity ownership amount relative to their full ownership requirement over five years adjusted for their actual time served with the Corporation.

External Compensation Consultant

Since 2021, the Corporation has retained GGA as an external consulting company to provide advice and information in relation to the compensation of the Corporation's directors and executive officers. In 2021, GGA provided support to the Compensation Committee to review the competitiveness of the director compensation levels at the Corporation. In 2022, GGA provided similar support as in 2021 but with respect to the compensation levels of executive officers of the Corporation. GGA provided support to the Compensation Committee to formulate compensation recommendations to the Board for the Corporation's directors and NEOs based on GGA's review and findings. This review included, but was not limited to, the provision and analysis of benchmark market data, conducting a series of discussions with key directors and executives to discuss director compensation philosophy and overall governance at the Corporation.

GGA has not provided any services to the Corporation other than the compensation consultation services in respect of the Corporation's directors and executive officers as described above. Based on all of the factors relevant to GGA's and the individual executive compensation consultant's independence from management as discussed above, the Board of Directors and the Compensation Committee are satisfied that the advice received from GGA and the individual executive compensation consultant is objective and not influenced by GGA's working relationship with the Corporation.

Fees Paid to GGA in 2022 and 2023

Description	Fees Paid	
	2022	2023
GGA (Executive-Compensation Related Fees)	\$71,129	Nil
All Other Fees	Nil	Nil
Total Paid to GGA	\$71,129	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On May 3, 2021, the Board of Directors adopted the Stock Option Plan, which was approved by Shareholders on June 3, 2021. On February 25, 2022, the Board of Directors adopted the Share Unit Plan, which approved by Shareholders on March 30, 2022. The Corporation has no other equity compensation plans other than the Stock Option Plan and the Share Unit Plan.

The following table provides certain information regarding equity compensation plan information as at December 31, 2023.

Plan Category ⁽¹⁾	Number of Common Shares Issuable Upon Exercise of Options and Rights Outstanding as at December 31, 2023	Weighted-Average Exercise Price of Outstanding Options as at December 31, 2023	Number of Common Shares Remaining Available for Future Issuance under the Stock Option Plan and the Share Unit Plan as at December 31, 2023
Equity Compensation Plans Approved by Shareholders			
• Stock Option Plan	1,195,000	\$10.36	912,087
• Share Unit Plan	241,531	N/A	912,087
Equity Compensation Plans not Approved by Shareholders	Nil	Nil	Nil
Total	1,436,531	\$10.36	912,087

Note:

- (1) The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan and any other equity compensation plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The aggregate number of Common Shares issuable under the Share Unit Plan shall not exceed at any time exceed 5% of the total issued and outstanding Common Shares, or such other number as may be approved by the TSX and the Shareholders from time to time. For clarity, the aggregate number of Common Shares issuable under the Share Unit Plan when combined with all other security-based arrangements with the Corporation, including the 10% aggregate limit under the Stock Option Plan (as defined below), shall not exceed at any time 10% of the total issued and outstanding Common Shares from time to time. For illustrative purposes, as at May 9, 2024, an aggregate of 2,339,128 Common Shares can be issued pursuant to security-based compensation arrangements of which 1,168,000 Options and 240,959 RSUs have been issued and are outstanding (counting 16,010 RSUs to be awarded in the ordinary course on or about May 13, 2024). Accordingly, up to 930,169 Options could be issued under the Share Unit Plan assuming no further Options are issued, exercised or redeemed.

Summary of the Stock Option Plan

The Stock Option Plan has been established to provide directors, officers, employees and consultants of the Corporation, or any of its subsidiaries, with an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and efforts of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and any other security-based compensation arrangement of the Corporation (if any), in aggregate, shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any Option. In addition, the Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and any other security based compensation arrangement of the Corporation, if any, and: (i) issued to insiders, within any one year period, shall not exceed 10% of the issued and outstanding Common Shares; and (ii) issuable to insiders at any time, shall not exceed 10% of the issued and outstanding Common Shares. The Stock Option Plan also provides that: (i) the maximum number of Common Shares issuable pursuant to Options granted under the Stock Option Plan to any non-executive director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model; and (ii) the maximum number of Common Shares reserved for issuance under all security based compensation arrangements of the Corporation issued to any non-executive director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model. The Stock Option Plan provides for the exercise price to be determined by the Board of Directors provided that the exercise price of the Options may not be less than the three-day volume weighted average trading price per Common Share on the principal stock exchange on which the Common Shares are traded immediately preceding the date of grant.

Participation in the Stock Option Plan is voluntary. In order to constitute a valid Option under the Stock Option Plan, the participant and the Corporation must enter into a valid option agreement in a form acceptable to the Board of Directors. Options granted under the Stock Option Plan will be for a term of no longer than 10 years after the date of grant. The Board of Directors has the sole discretion to determine the time during which Options will vest and the method of vesting. The interest of any optionee under the Stock Option Plan is not transferable or alienable by the optionee either by assignment or in any manner, during the optionee's lifetime. If any optionee ceases to be an eligible participant under the Stock Option Plan as a result of permanent physical or mental disability or death, then, the total number of Options not previously purchased by such optionee, whether or not the rights to purchase some or all of the Common Shares pursuant to those Options have previously vested, may be exercised for a period ending on the earlier of the expiry date of such Options and one year to the date the optionee ceases to be a participant due to such permanent physical or mental disability or death. If an optionee ceases to be a participant for reasons other than permanent physical or mental disability or death and is terminated without notice or entitlement to notice or compensation in lieu thereof, the optionee may exercise the Option, to the extent they have vested as of the date of ceasing to be a participant. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise the Option, to the extent they have vested, when reasonable notice has been given, on the date the optionee ceases to be a participant and when compensation is paid in lieu of notice, for 21 days after the date the optionee ceases to be a participant. In the event of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise or of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course of business, or in the event any other rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value then, the Board of Directors will, subject to any required approval of any regulatory authority or the TSX, proportionately adjust the number of Options available under the Stock Option Plan and the number of Common Shares that may be issued under existing option agreements. In the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable, but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

An optionee may exercise the right (the "**Put Right**"), from time to time, to require the Corporation to purchase all or any of its vested Options by delivery to the Corporation of a written notice of exercise ("**Put Notice**"), specifying the number of Options with respect to which the Put Right is being exercised. The Corporation will purchase from the optionee all of the Options specified in the Put Notice at a price (the "**Put Price**") equal to the excess of the closing price of the Common Shares on the principal stock exchange on which they are traded on the date of receipt of the Put Notice by the Corporation (the "**Notice Date**") over the exercise price for each Option being purchased under the Put Right provided that the Put Notice is received by the Corporation before 4:30 p.m. (Calgary time) on the Notice Date, or if the Put Notice is received by the Corporation after 4:30 p.m. (Calgary time) on the Notice Date, the Put Price shall be the next date upon which the Common Shares trade on the principal stock exchange on which they are traded, or for such other amounts as may be agreed to by the optionee and the Corporation. Upon the exercise of the Put Right, the Corporation will cause to be delivered to the optionee a cheque representing the Put Price multiplied by the number of Options specified in the Put Notice (less any applicable withholding tax) within three business days of the Notice Date. Upon exercise of the Put Right and its acceptance by the Corporation, the Options are deemed to be terminated

and cancelled and shall cease to grant the optionee any further rights thereunder. Notwithstanding the foregoing, the Corporation may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time and from time to time.

The Stock Option Plan provides for the extension of the expiry date of any Option which would otherwise expire during a “black-out period” imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation, for 10 business days from the date that any “black-out period” ends. The Stock Option Plan also provides that the Board of Directors may, in its sole discretion and without further approval of the Shareholders, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or the TSX. The approval of the Shareholders will be required for any amendments to the Stock Option Plan which reduces the exercise price of an Option or results in cancellation and reissuance of an Option; extends the term of an Option beyond its normal expiry date; changes the definition of the “participants” to permit the introduction or reintroduction of non-executive directors on a discretionary basis or that increase limits previously imposed on non-executive director participation; results in an increase in the number of Common Shares that may be subject to Options granted to participants under the Stock Option Plan; would permit Options granted under the Stock Option Plan to be transferable or assignable other than for normal estate settlement purposes; changes the amendment and termination provisions of the Stock Option Plan; and which require approval by Shareholders under applicable law (including, without limitation, the rules, regulations and policies required by the TSX).

The Stock Option Plan also provides that the Board of Directors may seek reimbursement of Options awarded to an officer of the Corporation pursuant to the Stock Option Plan and any Common Shares issued upon the exercise thereof, where: (i) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation’s financial statements filed with any securities regulatory authority; (ii) the Board of Directors, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for the restatement; and (iii) the value of the Options awarded would have been lower had the financial results been properly reported.

Summary of the Share Unit Plan

The Share Unit Plan authorizes the Corporation to grant Units to Participants. In the case of PSUs and RSUs, officers or employees (but for clarity, not any non-employee directors) of the Corporation or its affiliates or such other employee that the Board determines to be eligible may be considered eligible persons and in the case of DSUs, a director or an officer of the Corporation or its affiliates may be considered eligible persons under the Share Unit Plan. Each Participant who is eligible to receive DSUs under the Share Unit Plan may elect, once each calendar year, to receive, in the case of directors, up to 100% of such director’s annual board retainer or, in the case of officers or employees determined to be eligible to receive DSUs, up to 100% of such officer’s or employee’s base salary or annual incentive award, in DSUs. Pursuant to the terms of the Share Unit Plan, the DSUs may be settled in cash only, and not Common Shares. The purpose of the Share Unit Plan is to advance the interests of the Corporation and its Shareholders by providing the Participants a performance incentive that aligns with the strategic goals of the Corporation and the interests of Shareholders.

Maximum Number of Common Shares Issuable, Outstanding Securities Awarded and Remaining Securities Available for Grant

The aggregate number of Common Shares issuable under the Share Unit Plan shall not exceed at any time exceed 5% of the total issued and outstanding Common Shares, or such other number as may be approved by the TSX and the Shareholders from time to time. If a Unit is expired, cancelled or terminated before being settled, or redeemed for cash on settlement (including Units redeemed with Common Shares purchased on the open market pursuant to the terms of the Share Unit Plan), then the Common Shares that were subject to the Unit but that were not issued pursuant to the settlement shall, unless the Share Unit Plan has been terminated, become available for issuance, all within the maximum limitation stated above. For clarity, the aggregate number of Common Shares issuable under the Share Unit Plan when combined with all other security-based arrangements with the Corporation, including the 10% aggregate limit under the Stock Option Plan, shall not exceed at any time 10% of the total issued and outstanding Common Shares from time to time.

The aggregate number of Common Shares issued to insiders of the Corporation within a 12-month period under the Share Unit Plan alone, or when combined with all other security-based compensation arrangements of the Corporation, shall not exceed 10% of the Common Shares issued and outstanding from time to time. Under no circumstances may the Share Unit Plan, together with any other security-based compensation arrangements of the Corporation, result, at any time, in the number of Common Shares issuable to insiders exceeding 10% of the issued and outstanding Common Shares. The total number of Common Shares that may be acquired by any one Participant under all security-based compensation arrangements shall not exceed 5% of the outstanding number of Common Shares. The total annual grant to any one non-employee director under all security-based compensation arrangements (excluding grants of DSUs) cannot exceed a grant value of \$150,000 in total equity (and \$100,000 in Options under the Stock Option Plan), provided, however, that such limits shall not apply to (i) awards taken in lieu of any cash retainer or other director fees, and (ii) a one-time initial grant to a non-employee director upon such director joining the Board.

The Corporation monitors the outstanding number of Options and Common Shares (dilution) and the number of Options and RSUs issued each year (burn rate). During the financial year ended December 31, 2023, 150,000 Options and 241,531 RSUs were granted under the Share Unit Plan. For further details regarding the number and percentage of outstanding Options, please see “*Outstanding Options and Units and Common Shares Available for Issuance*” below.

Grants of Units and Plan Administration

The Board will administer the Share Unit Plan and has the sole and absolute discretion to: (i) grant Units; (ii) determine the terms, including the limitations, restrictions, vesting period, adjustment factor, performance criteria and conditions of such grants and to amend any performance criteria or conditions, in the Board’s sole discretion; (iii) adopt, amend and rescind administrative guidelines and other rules relating to the Share Unit Plan; and (iv) make all other determinations and take all other actions in connection with the implementation and administration of the Share Unit Plan. The Board has the right to delegate the administration and operation of the Share Unit Plan, in whole or in part, to a committee, and the CEO may be delegated authority to allocate Units to Participants (other than the CEO and the CEO’s direct reports who are officers) within such parameters and subject to an aggregate maximum value as may be determined by the Board from time to time. Any such delegation by the Board may be revoked at any time at the Board’s sole discretion.

The grant of any Units shall be evidenced by a grant agreement that sets forth the restrictions, limitations and conditions for each Unit and may include the vesting provisions and other terms of the Units, the provisions applicable in the event employment or service terminates, any applicable performance criteria or adjustment factor in respect of PSUs, and shall contain such terms as may be considered necessary in order to comply with applicable laws and regulations. The Corporation will maintain a notional account for each Participant to record the number of Units granted to such Participant.

The Board shall determine whether each RSU or PSU awarded to a Participant shall entitle the Participant to receive: (i) one Common Share issued from treasury or purchased on the secondary market; (ii) the cash equivalent of one Common Share, determined based on Market Value (as defined below) multiplied by the number of vested RSUs or PSUs; or (iii) a combination of cash and Common Shares (issued from treasury or purchased on the secondary market), as the Board may determine in its sole discretion on settlement. In respect of PSUs only, any such determination shall be subject to adjustment in accordance with the applicable performance factor.

The Corporation shall not grant any Units during a trading blackout period.

Vesting, Settlement and Redemption of Units

Under the Share Unit Plan, the Board may determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable performance criteria and performance factor) of the RSUs and PSUs and any restriction period during which RSUs or PSUs are not vested. The Board may reduce or eliminate any restriction period in respect of an RSU or PSU from time to time and for any reason, including, but not limited to, circumstances involving the death or disability of a Participant.

The applicable settlement period in respect of a particular RSU or PSU shall be determined by the Board. Except as otherwise provided in a grant agreement or any other provision of the Share Unit Plan, all vested RSUs and PSUs

shall be settled as soon as practical following the date on which the Board determines if vesting or performance criteria have been met, but prior to (i) December 15 of the third calendar year following the earlier of (A) the date of grant of such RSU or PSU or (B) the applicable “service year” (as defined in the Share Unit Plan), if such RSU or PSU is settled by payment of the cash equivalent or through purchases by the Corporation on the Participant’s behalf on the open market, or, in the case of PSUs, such later date following the conclusion of such third year, on which the performance factor for such PSU is determined; (ii) 10 years following the date of grant of an RSU or PSU if such RSU or PSU is settled by issuance of Common Shares from treasury; or (iii) for Participants who are US taxpayers, within 60 days following vesting of such RSU or PSU.

Upon settlement, the RSUs or PSUs are redeemable for Common Shares or a cash payment equal to the Market Value multiplied by the number of vested RSUs or PSUs in the Participant’s notional account (net of any applicable taxes) or a combination thereof, subject to the performance factor in respect of PSUs only, in accordance with the applicable grant agreement. “**Market Value**” in respect of RSUs or PSUs means the volume weighted average trading price of a Common Share on the TSX for the five preceding days on which the Common Shares were traded (and in the event the Common Shares are not listed and posted for trading on any stock exchange, the fair market value of such Common Shares as determined by the Board in its absolute discretion).

For each award of PSUs, the Board may establish any performance criteria and other vesting conditions in order for such PSUs to be considered vested and for the Participant to be entitled to have his or her PSUs settled. The grant agreement may provide that the value that each PSU entitles the Participant to receive, being one Common Share or the cash equivalent, will be multiplied by a performance factor, such that each PSU will entitle the Participant to receive value that may be more than or less than one Common Share.

Except where not permitted by law, the Corporation may specify that the amount to be paid to a Participant in respect of RSUs and PSUs is to be applied towards the purchase of Common Shares on the open market, in which case the Corporation shall designate an independent broker who acts as an agent for the Participant to purchase Common Shares on the open market. The broker shall purchase Common Shares in its discretion and shall control the time, amount and manner of all purchases of Common Shares and notify the Participant and the Corporation of: (i) the aggregate purchase price for the Common Shares; (ii) the purchase price per Common Share or, if the Common Shares were purchased at different prices, the average purchase price (computed on a weighted average basis); (iii) the amount of any brokerage commission; and (iv) the settlement date. The cash value remaining after the purchase of the Common Shares will be paid on the settlement date. The Corporation shall pay all brokerage commissions in connection with the purchase of the Common Shares.

Cessation of Entitlements on Termination, Death or Disability

With respect to RSUs and PSUs under the Share Unit Plan, if a Participant’s employment is terminated due to resignation by the Participant without “good reason” (as defined in the Share Unit Plan) or by the Corporation for “cause” (as defined in the Share Unit Plan), any unvested RSUs and PSUs held by such Participant shall expire on the termination date, subject to the Participant’s employment agreement, grant agreement and applicable employment standards legislation. If a Participant’s employment is terminated by the Corporation without cause, resignation for good reason, or such Participant’s death or disability, the Participant shall be issued Common Shares or paid the cash equivalent, or a combination thereof, equivalent to the value calculated by multiplying the number of non-vested RSUs and PSUs in the Participant’s notional account by a fraction where the numerator shall be the number of months between the date of grant and the termination date and the denominator shall be the number of months between the date of grant and the date of vesting. In the case of PSUs, the performance factor in the applicable period between the date of grant and the termination date shall also be applied to such payment.

Change of Control

In the event of a “change of control” (as defined in the Share Unit Plan), all unvested Units then outstanding will be substituted with units of the surviving corporation or the potential successor (the “continuing entity”) on the same terms and conditions as the original Units. If within 12 months of a change of control a Participant who is an officer or employee of the Corporation is terminated without cause or the Participant resigns from their employment for good reason, the vesting of all Units then held by such Participant will be accelerated in full, except that in the event that a Unit is subject to vesting upon the attainment of performance criteria, then the number or value, as applicable, of Units that vest will be calculated having regard to the pro rata achievement of any applicable performance criteria up to the termination date, in accordance with the terms of the Share Unit Plan.

If the continuing entity fails to comply with the Share Unit Plan, the vesting of all then outstanding Units will, at the discretion of the Board, be accelerated in full.

In the event of a potential change of control, the Board will have the power, in its sole discretion, to modify the terms of the Share Unit Plan and/or the Units to assist the Participants in tendering to a take-over bid or other transaction leading to a change of control. In the event of a takeover bid or other transaction leading to a change of control, the Board has the power, in its sole discretion, to permit Participants to conditionally settle their Units, to be conditional upon the take-up by such offeror of the Common Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a change of control). If, however, the potential change of control is not completed within the time specified (as the same may be extended), then (i) any conditional settlement of vested Units will be deemed to be null, void and of no effect, and such conditionally settled Units will for all purposes be deemed not to have been settled; and (ii) Units which vested pursuant to section 5.1(5) of the Share Unit Plan will be returned by the Participant to the Corporation and reinstated as authorized but unissued Common Shares and the original terms applicable to such Units will be reinstated. If the Board has permitted the conditional settlement of Units in connection with a potential change of control, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such change of control and on such terms as it sees fit, any Units not settled (including all unvested Units), as applicable.

Release

Upon a termination event resulting in vesting and settlement of RSUs or PSUs or vesting and redemption of DSUs, Participants shall be required to deliver a release, in a form acceptable to the Corporation, releasing the Corporation and/or its affiliates from claims arising under the Share Unit Plan or under the Participant’s employment with the Corporation or an affiliate and the termination thereof, as applicable.

Assignability

Units granted under the Share Unit Plan shall not be transferable or assignable.

Dividend Equivalents

If a dividend becomes payable on the Common Shares, each Participant’s notional account shall be credited with additional Units on the payment date for such dividend, calculated by dividing (i) the amount determined by multiplying (a) the number of Units in such Participant’s notional account (whether vested or unvested) by (b) the dividend paid per share, by (ii) the Market Value of a share on the dividend payment date.

Clawback

The Board may seek reimbursement of awards granted under the Share Unit Plan to an officer of the Corporation and any Common Shares and/or cash equivalents delivered upon settlement of vested Units, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation’s financial statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for the restatement; and (c) the value of awards granted under the Share Unit Plan would have been lower had the financial results been properly reported.

Advance Notice

The By-Laws of the Corporation provide for the requirement of advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition to call a shareholders meeting made pursuant to the provisions of the ABCA; or (ii) a shareholder proposal made pursuant to the provisions of the ABCA (the “**Advance Notice Provision**”).

Among other things, the Advance Notice Provision fixes a deadline by which holders of record of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

In the case of an annual meeting of Shareholders, notice to the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Provision provides Shareholders, directors and management of the Corporation with a clear process for nominating directors and sets out a reasonable time frame for director nominee submissions along with a requirement for accompanying information. The purpose of the Advance Notice Provision is to treat all Shareholders fairly by ensuring that all Shareholders, including those Shareholders participating in a meeting by proxy rather than in person, receive adequate notice of the director nominations to be considered at a meeting in order to exercise their voting rights in an informed manner. In addition, the Advance Notice Provision should assist in facilitating an orderly and efficient meeting process.

Amendments to the Share Unit Plan

The Share Unit Plan has customary amendment provisions. The Board may suspend or terminate the Share Unit Plan at any time, or from time to time amend or revise the terms of the Share Unit Plan or of any Unit granted under the Share Unit Plan and any grant agreement or other agreement. However, no such suspension, termination, amendment or revision will be made: (i) except in compliance with applicable law and with the prior approval, if required, of the TSX, or any other regulatory body having authority over the Corporation, the Share Unit Plan or the Shareholders; and (ii) in the case of an amendment or revision, if it would materially adversely affect the rights of any Participant, without the consent of the Participant. The Board has the discretion to make immaterial amendments that it may deem necessary, without having to obtain Shareholder approval, subject to the Share Unit Plan and any applicable rules of the TSX. Such amendments include, without limitation: (i) amendments of a “housekeeping” or minor nature as may be required from time to time to correct typographical or other minor errors or to eliminate ambiguity in any provision; (ii) amendments necessary to comply with applicable laws, regulations, requirements, or rules of any applicable governmental or regulatory authority, including the TSX; (iii) any amendment to the Share Unit Plan and any grant agreement to permit the conditional redemption of any Unit; (iv) any amendment to the vesting provisions of the Share Unit Plan or any Unit; (v) any amendment respecting DSUs for so long as DSUs are settled in cash only (and not Common Shares); (vi) any amendment regarding the effect of termination of a Participant’s employment, engagement, contract or office; or (vii) any other amendment that does not require the approval of Shareholders as described in the paragraph below.

Notwithstanding the foregoing, Shareholder approval will be required for: (i) increases to the maximum number of Common Shares reserved for issuance under the Share Unit Plan; (ii) amendments to the amendment and termination provisions of the Share Unit Plan; (iii) any amendment extending the term of a Unit or any rights pursuant thereto beyond the original date that such Unit would have expired; (iv) any cancellation and reissue of Units or substitution of Units with other awards that are more favourable to the Participants; (v) changes to the eligibility criteria and participation limits (including amendments to the definition of “Participant” and “Eligible Person”) applicable to non-employee directors; (vi) any amendment to the non-transferability provisions of the Share Unit Plan; (vii) any amendment to insider participation limits; (viii) any amendment to the provisions providing for maximum grants of

awards to non-employee directors of the Corporation; or (ix) any increase to the limit on the total number of shares that may be acquired by any one Participant under all security-based compensation arrangements.

Outstanding Options and Units and Common Shares Available for Issuance

The following table summarizes, as of May 9, 2024, the maximum number of Common Shares issuable under the Stock Option Plan, the number of Options outstanding as of May 9, 2024, and the number of Options remaining available for grant as of May 9, 2024.

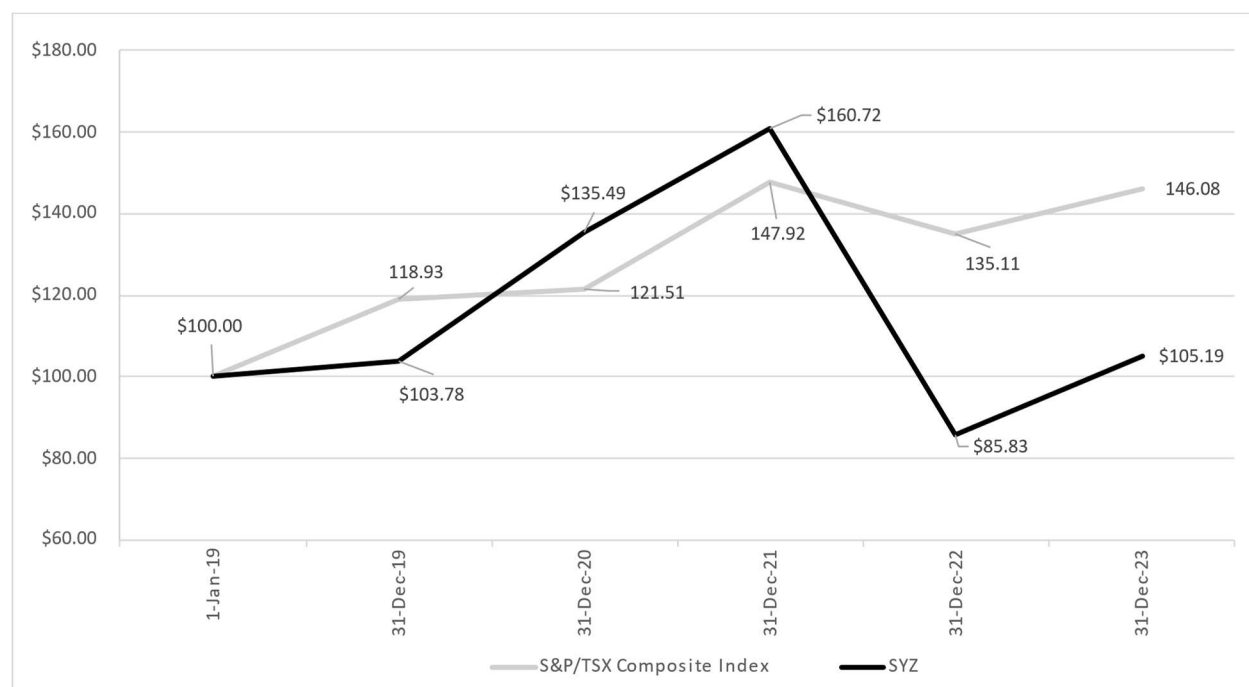
	Number	Percentage of Currently Outstanding Shares
Total Available under Stock Option Plan	23,391,277	10%
Options Outstanding	1,168,000	5%
RSUs Outstanding ⁽¹⁾	240,959	1%
Options Available for Grant	930,169	4%

Notes:

(1) Counting 16,010 RSUs to be awarded in the ordinary course on or about May 13, 2024.

Performance Graph

The following graph compares on a yearly basis the cumulative total shareholder return from January 1, 2019, being the first day of the fiscal year ended December 31, 2019, as measured by the closing price of the Common Shares at the end of each period indicated, assuming an initial investment of \$100 on January 1, 2019, compared to the S&P/TSX Composite Index.



Notes:

- (1) The Common Shares of Sylogist currently trade on the TSX under the symbol “SYZ”.
- (2) Sylogist shareholder returns assume dividend reinvestment on a yearly basis.

- (3) Presumes a December 31 financial year-end in preceding periods for ease of presentation. December 31, 2022 included the Transition Period and was the first year that Sylogist changed to a December 31 year-end.

The trend shown by the foregoing performance graph reflects operational factors within the Corporation's control but is also heavily impacted and influenced by economic and market conditions beyond its control, including the volatility of equity and capital markets in general and the state of the technology sector in particular as well as other external factors beyond the control of the Corporation. The graph lines merely connect measurement dates and do not reflect fluctuations between the measurement dates. The performance of the Corporation's Common Shares as set out in the graph is based upon historical data and is not indicative of, nor intended to forecast, future performance of its Common Shares.

During the five-year period ended December 31, 2023, the Corporation's annual total executive compensation has generally increased based on the Corporation's operational and financial performance and the recommendations of the Compensation Committee but does not necessarily track the changes in the market value of the Common Shares. The Corporation's long-term incentive plans are designed to align the interests of all eligible participants with Shareholders by linking a component of compensation to the performance of Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation was indebted to the Corporation as at the date of this Information Circular. At no time since the beginning of the financial year ended December 31, 2023 did any director or executive officer or proposed director, or associate of any such director or executive officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, any proposed director of the Corporation, nor any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the beginning of the financial year ended December 31, 2023, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Information Circular, an "informed person" means: (i) a director or executive officer of the Corporation, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, and (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and senior officers of the Corporation and are not to any substantial degree performed by any other person or corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Every issuer that is listed on the TSX is required under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") to disclose annually in its information circular certain information concerning its corporate governance practices. The Board is committed to high standards of corporate governance and believes that sustainable value creation for all Shareholders is fostered through a board that is informed and engaged and that functions independently of management. The Board recognizes that effective corporate governance is critical to the continued and long-term success of Sylogist. The Corporation's Board and senior management consider good governance to be central to the effective and efficient operation of the Corporation. Information in respect of Sylogist's corporate governance practices is set out in Schedule "A" to this Information Circular.

AUDIT COMMITTEE

Information in respect of the composition of the Corporation’s Audit Committee (the “**Audit Committee**”), the education and experience of each of the members of the Audit Committee, the terms of reference for the Audit Committee and the Audit Committee’s pre-approval policies and procedures for the engagement of non-audit services is set out under the heading “Audit Committee” in the Corporation’s Annual Information Form dated April 2, 2024.

The fees paid by the Corporation for external auditor services in 2022 and 2023 are as follows:

Financial Year Ended	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2023	\$264,000	Nil	N/A	\$2,000
December 31, 2022	\$222,500	\$40,000	N/A	\$2,000

Notes:

- (1) Audit fees consist of fees for the audit of annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements. The services provided in this category include quarterly review fees.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Sylogist’s financial statements and are not reported as audit fees. The services provided in this category included research of accounting and audit-related issues and review of internal controls.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) These fees related to matters in regard to the change to strategic acquisitions, financing, and other administrative charges.

DIRECTORS’ APPROVAL

The contents of this Information Circular, as well as its distribution to the Shareholders, have been approved by the Board of Directors of the Corporation.

AUDITORS AND TRANSFER AGENT

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, Suite #3100, 205–5th Avenue S.W., Calgary, Alberta, T2P 4B9.

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada, through its principal offices in Calgary, Alberta.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as described in this Information Circular under the headings “*Matters to be Acted Upon at the Meeting – Number of Directors*” and “*Matters to be Acted Upon at the Meeting – Election of Board of Directors*” of this Information Circular.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Corporation at Suite 102, 5 Richard Way S.W. Calgary, Alberta, T3E 7M8, (403) 266-4808 to request copies of the Corporation’s financial statements and management’s discussion and analysis.

Financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year, both of which are filed on SEDAR+.

**SCHEDULE A
STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The governance practices of Sylogist in relation to the disclosure requirements of NI 58-101, taking into account the particular structure of Sylogist, are set out below:

Governance Disclosure Guideline under NI 58-101	Governance Procedures at Sylogist						
<u>Board of Directors</u>							
Disclose the identity of directors who are independent.	The Board has determined that the following director nominees are “independent” within the meaning of NI 58-101: Mr. Foster, Mr. Gray, Mr. Olsen, Ms. Edkins, Ms. Ward and Mr. Benmalek.						
Disclose the identity of directors who are not independent, and describe the basis for that determination.	Mr. Wood is not considered to be “independent” by virtue of his position as President and CEO of the Corporation.						
Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.	The Board has determined that a majority comprised of six of seven of the proposed directors are “independent” within the meaning of NI 58-101.						
If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The following directors currently serving on the board of other issuers that are reporting issuers (or equivalent) are set out below: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Director</th> <th style="text-align: left;">Directorships</th> </tr> </thead> <tbody> <tr> <td>Ian McKinnon</td> <td>EMERGE Commerce Ltd.</td> </tr> <tr> <td>Tracy Edkins</td> <td>D2L.com</td> </tr> </tbody> </table>	Director	Directorships	Ian McKinnon	EMERGE Commerce Ltd.	Tracy Edkins	D2L.com
Director	Directorships						
Ian McKinnon	EMERGE Commerce Ltd.						
Tracy Edkins	D2L.com						
Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	During its most recently completed financial year, the independent directors held 9 <i>in camera</i> sessions. The independent directors are encouraged to hold <i>in camera</i> sessions at any time, including after Board and committee meetings. During these <i>in camera</i> sessions, members of management and non-independent directors are not permitted to be present.						

**Governance Disclosure Guideline under
NI 58-101**

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is independent, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

Governance Procedures at Sylogist

Barry D.A. Foster is “independent” within the meaning of NI 58-10. As Board chair, Mr. Foster’s role and responsibilities include: serving as the Board’s role model for responsible, ethical and effective decision making, provide leadership to the independent directors, to manage the affairs of the Board to ensure the Board is organized properly and functions effectively.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.

Summary of Board Attendance

Disclosure regarding the directors’ attendance record for the year ended December 31, 2023 is as follows:

Directors⁽¹⁾	Board Meetings (9 Meetings)	Audit Committee (4 Meetings)	Nominating and Governance Committee (3 Meetings)	Compensation Committee (2 Meetings)
Barry D.A. Foster ⁽²⁾⁽³⁾	100% (9/9)	100% (4/4)	100% (3/3)	-
Taylor Gray ⁽⁴⁾	100% (9/9)	100% (4/4)	100% (3/3)	100% (2/2)
Craig O’Neill ⁽⁶⁾	88% (8/9)	-	-	100% (2/2)
Ian McKinnon	100% (9/9)	-	100% (3/3)	100% (2/2)
William C. Wood	100% (9/9)	-	-	-
Janice P. Anderson ⁽⁶⁾⁽⁷⁾	100% (7/7)	100% (3/3)	100% (3/3)	100% (2/2)
Errol Olsen ⁽⁸⁾	100% (2/2)	100% (1/1)	-	-

Notes:

- (1) Each of Ms. Edkins and Ms. Ward were appointed after December 31, 2023.
- (2) Mr. Foster is the Board chair.
- (3) Mr. Foster is the chair of the Nominating and Governance Committee.
- (4) Mr. Gray is the chair of the Audit Committee.
- (5) Ms. Anderson resigned as a director of the Corporation on August 25, 2023, and attended all Audit Committee and Board meetings held during her tenure as director during the year.
- (6) Ms. Anderson was previously the chair of the Compensation Committee prior to her resignation as a director of the Corporation on August 25, 2023. Mr. O’Neill took over as the chair of the Compensation Committee following Ms. Anderson’s resignation.
- (7) Mr. Olsen was appointed as a director of the Corporation on August 25, 2023, and attended all Audit Committee and Board meetings held during his tenure as director during the year.

Mandate of the Board of Directors

**Governance Disclosure Guideline under
NI 58-101**

Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

Governance Procedures at Sylogist

The Board is responsible for the stewardship and oversight of the business and affairs of the Corporation.

The responsibilities and obligations of the Board are set forth in a written mandate of the Board, a copy of which is attached hereto as Schedule “B”.

Position Descriptions

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has developed written charters for itself, the Audit Committee, the Nominating and Governance Committee and the Compensation Committee. Although the Board does not have written position descriptions for the chair of the Board or the chair of each committee of the Board, the Board expects the chair of the Board to manage the Board, ensure that the Board carries out its mandate effectively, and clearly understand and respect the boundaries between the Board and management’s responsibilities. The Board also expects the chair of the Board to provide leadership to enhance Board’s effectiveness.

The Board expects and requires that each committee chair’s key role is to manage his respective committee and ensure that the committee carries out its mandate effectively. Like the chair of the Board, each committee chair is expected to provide leadership to enhance committee effectiveness and must oversee the committee’s discharge of its responsibilities. Committee chairs must report regularly to the Board on the businesses of their committees.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board and the CEO of the Corporation have not developed a written position for the CEO of the Corporation, however the responsibilities of the CEO include: providing the Corporation with operational management and strategic, financial, operational, administrative, governance and public leadership.

The Board has delegated to the CEO and management the responsibility for the day-to-day management while respecting Sylogist’s strategic plans, operational agenda, corporate policies and financial limits approved from time to time by the Board. In addition to those matters which by law must be approved by the Board, or a committee of the Board to which approval authority has been delegated by the Board, the Board’s approval is required for all matters of policy and all actions proposed to be taken by Sylogist which are not in the ordinary course of business. In particular, the Board approves major capital expenditures and any transaction out of the ordinary course of business.

The Board delineates the role and responsibilities of the CEO through its direct and ongoing oversight and assessment of management’s development and execution of corporate strategy. In addition, the Board mandate provides for the annual review of the CEO by the Compensation Committee and the Nominating and Governance Committee.

Orientation and Continuing Education

**Governance Disclosure Guideline under
NI 58-101**

Governance Procedures at Sylogist

Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.

The Board recognizes the importance of orientation and continuing education for directors. New directors meet with the Chair and certain other independent directors and attend meetings at which they receive briefings on various aspects of the nature and operation of the Corporation's business from senior officers of the Corporation. New directors are also provided with comprehensive onboarding materials and information, including an overview of the Board portal, a secure online site that contains, among other things, the Corporation's articles and by-laws, the Board and committee mandates and workplans, corporate policies, recent disclosure documents and information regarding the Corporation's operations. New directors are also provided the opportunity to meet one-on-one with members of senior management.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporation encourages its directors to attend and participate in seminars and other continuing education programs in order to maintain and enhance their skills and abilities as directors, with the cost of any such programs being reimbursed by the Corporation.

Ethical Business Conduct

Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Corporation has adopted the Code.

In addition to the Code, the Board has also adopted a whistleblower policy (the "Whistleblower Policy") wherein employees of the Corporation are provided with the mechanics by which they may raise concerns with respect to a possible violation of the Corporation's disclosure standards in a confidential, anonymous process. The Corporation has a share trading policy intended to protect investors and to promote investor confidence by preventing the misuse of material information. The Board monitors compliance with the Code through the Whistleblower Policy.

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

A copy of the Code may be obtained on SEDAR+ at www.sedarplus.ca.

Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Directors must comply with the conflict of interest provisions of the ABCA, as amended from time to time, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Each director must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Board promotes a culture consistent with ethical business practices and conducts itself with a view to setting the appropriate tone from the top for all employees.

Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

In making recommendations as to suitable nominees to the Board, the Nominating and Governance Committee is to consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess to guide the long term strategy and ongoing business operations of the Corporation; (ii) the competencies and skills that the Board considers each existing director to possess, with appropriate diversity; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. In addition, in accordance with the provisions of the Diversity Policy of the Corporation (the “**Diversity Policy**”), the Nominating and Governance Committee will also consider the balance of skills, background, experience and knowledge on the Board and Board diversity when identifying suitable candidates for the Board and when making recommendations to the Board regarding nominating candidates for election or appointment to the Board.

Candidates will be recommended for appointment or election as directors based on merit considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, and the Nominating and Governance Committee will strive to include women among those candidates being considered for appointment or election as directors.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board has established the Nominating and Governance Committee which is composed entirely of independent directors.

If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Nominating and Governance Committee is responsible for identifying suitable candidates for nominees for election or appointment as director and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors.

Compensation

Describe the process by which the board determines the compensation for the issuer’s directors and officers.

The Board, on recommendation of the Compensation Committee, is responsible for determining all forms of compensation to be granted to the CEO and the directors, and for reviewing the CEO’s recommendations respecting compensation of the other senior executives of Sylogist. In this regard, the Board considers, among other things, that recruitment and retention of qualified executives is critical to the Corporation’s success, that compensation must be fair and competitive, and that performance needs to be rewarded.

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Board has established the Compensation Committee. Each member of the Compensation Committee is independent.

**Governance Disclosure Guideline under
NI 58-101**

Governance Procedures at Sylogist

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Compensation Committee assists the Board in establishing and monitoring the compensation of the directors, officers and key employees of the Corporation and aligning compensation with the strategies, business plans and objectives of the Corporation with the assistance of independent professional consultants when deemed necessary in fulfilling its duties under its mandate. The Compensation Committee is charged with annually assessing and making a recommendation to the Board with regard to the competitiveness and appropriateness of the compensation package of the CEO and other officers of the Corporation and periodically, but at least every third year, reviewing and making a recommendation to the Board regarding the compensation of directors. See also “*Executive Compensation – Compensation Governance*” in the Information Circular.

Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board does not have any standing committees other than the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board’s execution of its responsibilities. The review should have regard to the mandate or charter of the Board or committee and should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Board does not limit the time a director can serve. Imposing a term limit means it may lose the contributions of longer serving directors who have developed a deep knowledge and understanding of the Corporation and its business over time. The Corporation considers the benefits of regular renewal in the context of the needs of the Board at the time. The Board will continue to monitor the potential need to introduce a term limit and mandatory retirement policy.

Policies Regarding the Representation of Women on the Board

**Governance Disclosure Guideline under
NI 58-101**

Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so. If an issuer has adopted such a policy, disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

Governance Procedures at Sylogist

The objectives and key provisions of the Diversity Policy is a commitment to workplace diversity throughout the Corporation, including at the senior management and Board level. Diversity means all of the things that make individuals different from one another, including, but not limited to gender, age, race, religion, national origin, ethnicity, cultural background, marital status, sexual orientation, or disability.

The Diversity Policy provides a framework for the Corporation to achieve: a workplace environment where individual differences are respected; a diverse and skilled workforce, leading to continuous improvement in the achievement of corporate goals; a workforce that best represents the talent available in the communities in which the Corporation's assets are located and employees reside; a workplace environment where the ability to contribute and access employment opportunities is based on performance, skill and merit; a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; improved employment and career development opportunities for women; a workplace environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity and successful management diversity; awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity; and a diverse workplace environment where inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.

To achieve these objectives, the Board will, when identifying candidates for all positions, including senior management and the Board: consider diversity criteria including gender, age, ethnicity, sexual orientation and geographic background; consider only candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities; review succession plans to ensure an appropriate focus on diversity; recruit from a diverse pool of qualified candidates. A wider candidate pool would be established by engaging a professional search/recruitment firm and/or by advertising vacancies; identify specific factors to take account of in recruitment and selection processes to encourage diversity; identify what may be obstructing diversity success and taking action to address the issues; ensure short-lists identifying potential candidates include a mix of both male and female candidates wherever possible; develop a culture which takes account of domestic responsibilities of employees; develop programs to develop a broader pool of skilled and experienced senior managements and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and assess the gender pay parity across the business and implement action plans to address any areas of concern.

In each annual report or annual management information circular, the Corporation will disclose: the measurable initiatives, if any, for achieving diversity set by the Board in accordance with the Diversity Policy and the progress towards achieving them; and the proportion of female and minority employees in senior management positions and on the Board.

The Corporation is committed to increasing the number of women on the Board and in senior management positions, with a minimum target of 20% of such positions to be filled by women, subject to identification of candidates with appropriate skills.

The annual and cumulative progress by the Corporation in achieving the diversity objectives will be determined by the Board which will conduct a review of the Diversity Policy at least annually to ensure its effectiveness and the Corporation reserves the right, at its absolute discretion, to change the Diversity Policy from time to time as it considers necessary.

Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

The Nominating and Governance Committee, in accordance with the Diversity Policy, will consider the level of representation of women on the Board in identifying and nominating Board members. The number of women directors on the Board is a factor that the Nominating and Governance Committee considers when selecting new nominees for the Board having regard to current Board composition, and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership. When the Nominating and Governance Committee conducts a director search, the nomination process requires interviewing both male and female qualified director candidates. Before appointing any new non-executive directors, the Nominating and Governance Committee must interview both male and female non-executive director candidates before the selection is completed.

Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

In accordance with the Diversity Policy, the Board considers the level of representation of women in executive officer positions when making executive officer appointments. Sylogist is committed to workplace diversity with a focus on supporting the representation of women at the senior management level. This commitment is set out in the Diversity Policy.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

As set out in the Diversity Policy, Sylogist has set a minimum target of 20% regarding the number of women on its Board.

Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

As set out in the Diversity Policy, Sylogist has set a minimum target of 20% regarding the number of women in its executive officer positions.

If the issuer has adopted a target referred to above, disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.

Currently, there are two women on the Board and Sylogist has three female executive officers, namely, its Chief Technology & Innovation Officer, its Chief Customer Officer and its Vice President, Talent & Engagement.

Number of Women on the Board and in Executive Officer Positions

Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

As of the date of the Information Circular, there are two of seven members of the Board (28%) who are women. Two of seven of the proposed director nominees are women.

Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

As of the date of the Information Circular, three of seven executive officers (approximately 42%) are women.

**SCHEDULE B
BOARD MANDATE**

SYLOGIST LTD.

MANDATE OF THE BOARD OF DIRECTORS OF SYLOGIST LTD.

INTRODUCTION

The fundamental responsibilities of the Board of Directors of Sylogist Ltd. (the “**Corporation**”) are to: (i) identify and understand the risks associated with the business of the Corporation, (ii) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal control.

These terms of reference define the role of the Board of Directors of the Corporation. The following are the key guidelines governing how the Board will operate to carry out its duties of stewardship and accountability.

1. Best Interests of the Company

The Board is responsible for the management of the business activities of the Corporation. The Board oversees the conduct of business of the Corporation and supervises management, which is responsible for the day-to-day conduct of business. The Board establishes an appropriate system of corporate governance, including practices to ensure the Board functions independently of management.

2. Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board’s role is to ensure there is a formal strategic planning process in place and to review and, if it sees fit, endorse the corporate strategy presented by management. The Board then monitors the implementation and execution of the corporate strategy. One Board meeting per year shall be devoted to a review of corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. It is important the Board understands and supports the key risk decisions of management, including a comprehension of the appropriate balance between risks and rewards and methods for monitoring and mitigating risks.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

The Board reviews and approves the financial statements and related MD&A of the Corporation.

The Board approves annual operating and capital budgets and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Disclosure and Communication Policy

The Board has adopted a policy governing disclosure and communication concerning the affairs of the Corporation.

7. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

8. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to terms of reference approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the terms of reference of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

9. Committee Chairs and Committee Members

The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

10. Board Meetings and Agendas

The Board will meet as many times a year as it deems necessary.

The Chair, in consultation with the President, Chief Executive Officer, Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, the agenda and the material will be distributed to directors not less than 48 hours before the meeting. All directors are free to suggest additions to the agenda.

11. Information for Board Meetings

Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

12. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, will determine management attendees at Board meetings.

13. Board Relations with Management

Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President or through Board and committee meetings.

While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

14. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

15. Assessing the Board's Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

16. Board Compensation

The Board will review director compensation annually.

17. Annual Evaluation of the President and the Chief Executive Officer

The Board will conduct an annual performance review of the President and the Chief Executive Officer and other executive officers of the Corporation. The results of this performance review will be communicated to the President and the Chief Executive Officer by the Chair. The Board will annually determine the compensation of the Chief Executive Officer and other executive officers.

18. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

19. Conflict of Interest

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.
- (b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.

- (c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict with that director's duty to the Corporation.
- (d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.
- (e) The disclosures contemplated in paragraphs (c) & (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.
- (f) A director's disclosure to the Board shall disclose the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board.
- (g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis-à-vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.
- (h) Without limiting the generality of "conflict of interest" it shall be deemed a conflict of interest if a director, a director's relative, a member of the director's household has a direct or indirect financial interest in, or obligation to, or is a party to a proposed or existing contract or transaction with the Corporation.
- (i) Directors shall not engage in activities or accept appointments or election to office in any organization or association the activities of which are, or may be perceived to be, in conflict with activities of the Corporation or an embarrassment to the Corporation.
- (j) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.
- (k) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

20. Terms of Reference Review

These Terms of Reference shall be reviewed and approved by the Board each year after the annual shareholder meeting of the Corporation.

**SCHEDULE C
STOCK OPTION PLAN**

SYLOGIST LTD.

INCENTIVE STOCK OPTION PLAN

1. INTERPRETATION

In this Plan (including this clause), unless there is something in the subject or context inconsistent therewith, words importing the singular number includes the plural and vice versa, words importing the masculine gender includes the feminine and neuter genders and the expressions following have the following meanings, respectively:

- (a) “**Associate**” has the meaning ascribed thereto in the Securities Act;
- (b) “**Black-Out Expiry Date**” means ten (10) business days from the date that any Black-Out Period ends;
- (c) “**Black-Out Period**” means 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;
- (d) “**Board**” means the Board of Directors of the Corporation as constituted from time to time;
- (e) “**Change of Control**” means the purchase or acquisition of Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares as a result of which a person, group of persons or persons acting jointly or in concert, or persons who are Associates of or affiliated with, within the meaning of the Securities Act, any such person, group or persons or any of such persons acting jointly or in concert, beneficially owns or exercises control or direction over Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares such that, assuming the conversion, exercise or exchange of all such securities, would entitle such person, group of persons or person acting jointly or in concert to cast 50% plus one of the votes attaching to all Common Shares of the Corporation (on a non-diluted basis), excluding, however, a purchase or acquisition of Common Shares in connection with a Reverse Take-Over, and provided that the beneficial ownership by or exercise or control or direction over securities by shareholders of the Corporation as at the date hereof shall not constitute or be counted towards a Change of Control;
- (f) “**Committee**” means a committee of Directors appointed by the Board as contemplated by Clause 3 hereof;
- (g) “**Common Share**” means a common share in the capital stock of the Corporation and, after any adjustments pursuant to Clause 7 hereof, means the shares or other securities or property which, as a result of such adjustments and all prior adjustments pursuant to Clause 7, the holders of Options are then entitled to receive on the exercise thereof;
- (h) “**Consultant**” means any person or company, other than an employee, officer or director of the Corporation or of a subsidiary of the Corporation that:
 - (i) is engaged to provide services to the Corporation or a subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;
 - (ii) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, or a subsidiary of the Corporation;

- (i) “**Corporation**” means Sylogist Ltd. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (j) “**Early Termination Date**” means, in respect of any Option, 5:00 p.m. (Calgary time) on the date that an Option terminates prior to the Normal Expiry Date;
- (k) “**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 in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board.
- (l) “**Exercise Price**” means the purchase price of Option Shares under an Option Agreement determined as provided in subclause 6(b) of this Plan;
- (m) “**Expiry Date**” means the Normal Expiry Date or the Early Termination Date, as the case may be;
- (n) “**Insider**” has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual;
- (o) “**Market Price**” at any date and in respect of an Option, means:
 - (i) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board or Committee, as the case may be, on the Option Date; or
 - (ii) where the Common Shares are listed and posted for trading on a stock exchange, the volume weighted average trading price per Common Share on the principal stock exchange on which they are traded for the three (3) trading days on which the Common Shares traded on the said exchange immediately preceding such date;
- (p) “**Non-Executive Director**” means a director of the Corporation who is not an officer or employee of the Corporation or one of its subsidiaries;
- (q) “**Notice Date**” has the meaning ascribed thereto under Clause 10;
- (r) “**Normal Expiry Date**” means, in respect of any Option, 5:00 p.m. (Calgary time) on the date determined by the Corporation and specified in the particular Option Agreement on which the Option would normally terminate, which date may not be later than ten (10) years after the Option Date;
- (s) “**Offer**” means an offer made generally to the holders of the Common Shares in one or more jurisdictions to acquire, directly or indirectly, Common Shares and which is in the nature of a “takeover bid” as defined in the Securities Act and where the Common Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the Securities Act;
- (t) “**Option**” means a right to purchase Common Shares pursuant to this Plan and an Option Agreement;
- (u) “**Option Agreement**” means an agreement entered into between the Corporation and a Participant pursuant to which an Option is granted to a Participant and which contains such provisions not inconsistent with this Plan as the Board or the Committee may determine;
- (v) “**Option Date**” means the date on which an Option is granted by the Corporation to a Participant which for greater certainty is:
 - (i) where prior notice is required under the policies of the principal stock exchange on which the Common Shares are listed and posted for trading in connection with regulatory

- approval for the grant of the Option, the date of notice to such stock exchange of such proposed grant; or
- (ii) in all other cases, the date on which the grant of the Option is approved by the Board or the Committee, as the case may be;
 - (w) **“Option Shares”** means the Common Shares which a Participant is entitled to purchase under an Option whether or not the rights to purchase all such Common Shares have vested in and to the Optionee;
 - (x) **“Optionee”** means a Participant who has entered into an Option Agreement with the Corporation;
 - (y) **“Participant”** means, on any date, a person who is at least one of the following:
 - (i) regularly employed by the Corporation or one of its subsidiaries on that date;
 - (ii) an officer of the Corporation or one of its subsidiaries on that date;
 - (iii) a director of the Corporation or one of its subsidiaries on that date;
 - (iv) a Consultant to the Corporation or one of its subsidiaries on that date; or
 - (v) a corporation, the shares of which are wholly owned by a person described in subclause (i), (ii), (iii) or (iv);
 - (z) **“Plan”** means the Corporation’s “Incentive Stock Option Plan” embodied herein, as from time to time amended;
 - (aa) **“Put Notice”** has the meaning ascribed thereto under Clause 10;
 - (bb) **“Put Price”** has the meaning ascribed thereto under Clause 10;
 - (cc) **“Put Right”** has the meaning ascribed thereto under Clause 10;
 - (dd) **“Reverse Take-Over”** means a transaction in the nature of a “reverse take-over” as defined in the policies of any stock exchanges upon which the Common Shares are listed and posted for trading;
 - (ee) **“Securities Act”** means the *Securities Act* (Alberta), as amended; and
 - (ff) **“Security Based Compensation Arrangements”** has the meaning ascribed thereto in Part VI of the Company Manual of the Toronto Stock Exchange, as amended from time to time.

2. PURPOSE OF THE PLAN

The purpose of the Plan is to provide Optionees with an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and efforts of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

3. ADMINISTRATION, PARTICIPANTS AND ALLOTMENTS

- (a) The Board will administer the Plan. The Board may at any time or from time to time delegate to a Committee the responsibility for administering the Plan or elements thereof. The Board, or the Committee if so empowered, will determine from time to time those Participants to whom Options

should be granted, the Normal Expiry Date, the number of Common Shares which should be optioned from time to time to any Participant, the Exercise Price and such other terms and conditions of the Option Agreement, not inconsistent with the Plan, as the Board or the Committee in its discretion may determine. The Board or the Committee may prescribe rules and regulations relating to the Plan and any Options granted hereunder and may approve the form and content and prescribe the use of such forms of applications, directions, powers of attorney, and other documents or instruments, either generally or in specific cases, as may be deemed necessary or advisable, for the grant or issuance of Options under the Plan and for the proper administration and operation of the Plan. The Board or the Committee will review the Plan from time to time with a view to making revisions to it, granting additional Options and, in the case of the Committee, making appropriate recommendations to the Board. Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board or by the Committee constitutes an Option hereunder. An Option granted by the Board or the Committee to a Participant pursuant to the Plan is subject to, and is of no force and effect until, the execution and delivery of, an Option Agreement by both the Corporation and such Participant.

- (b) The Corporation is responsible for all costs of administration of the Plan.
- (c) The implementation of the Plan, the grant or exercise of any Options pursuant to the Plan and, from time to time, the operation and administration of the Plan is subject to receipt by the Corporation of all necessary approvals, advance rulings, exemptions or registrations required or deemed advisable under applicable law or regulatory policy including without limiting the generality of the foregoing, all necessary approvals or registrations required by any and all stock exchanges upon which the Common Shares are listed and posted for trading.
- (d) The Board or the Committee, as the case may be, may at any time and subject to regulatory approvals:
 - (i) discontinue or terminate the Plan; or
 - (ii) subject to Clause 15, amend or revise the terms and conditions of the Plan and any outstanding Options granted under the Plan,

provided that no such action adversely affects any Options previously granted under the Plan or the rights of Optionees in respect of those Options without the prior written consent or agreement of those Optionees.

4. COMMON SHARES SUBJECT TO PLAN

- (a) The maximum number of Common Shares issuable pursuant to Options issued and outstanding under the Plan or any other Security Based Compensation Arrangement of the Corporation shall not exceed ten (10%) percent of the aggregate number of issued and outstanding Common Shares at the time of grant of any Option.
- (b) The aggregate number of Common Shares issuable pursuant to Options granted under the Plan and under any other Security Based Compensation Arrangement, if any, and:
 - (i) issued to Insiders, within any one year period, shall not exceed ten (10%) percent of the issued and outstanding Common Shares; and
 - (ii) issuable to Insiders, shall not exceed ten (10%) percent of the issued and outstanding Common Shares.

- (c) The maximum number of Common Shares issuable pursuant to Options granted under the Plan to any one Non-Executive Director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model.
- (d) The maximum number of Common Shares reserved for issuance under all Security Based Compensation Arrangements granted to any one Non-Executive Director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model.

For the purposes hereof, the number of issued and outstanding Common Shares is determined as the number of Common Shares that are issued and outstanding immediately prior to a proposed grant of Options.

5. PARTICIPATION VOLUNTARY

Participation in the Plan by a Participant is entirely voluntary and does not affect the Participant's employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. None of the Plan or any Options granted under the Plan of itself gives any Participant the right to continue to be an employee, officer, director or consultant of the Corporation or any subsidiary thereof. None of the terms and conditions governing the Option are affected by any change in the Optionee's employment by or engagement with the Corporation so long as the Optionee continues to be a Participant.

6. CERTAIN TERMS OF OPTION AGREEMENTS

In order to constitute a valid Option granted under this Plan, the Optionee and the Corporation must enter into an Option Agreement in the form acceptable to the Board or the Committee, as the case may be.

An Option Agreement may, in respect of any Option, specify a number or percentage of Option Shares that the Participant may exercise in any specified period, year or number of years. In addition, Option Agreements are deemed to contain the following provisions with respect to the exercise of Options under the Plan:

- (a) An Option under the Plan is only exercisable for a minimum of 100 Common Shares at any one time.
- (b) The Exercise Price must not be less than the Market Price and upon exercise of the Option must be paid in full in respect of those Option Shares being acquired in Canadian funds by certified cheque or bank draft payable to or to the order of the Corporation at the time of exercise.
- (c) Each Option terminates on its Normal Expiry Date but subject always to the provisions of subclause 6(d) of this Plan.
- (d) If, after the Option Date and on or before the exercise in full of the Option or the Normal Expiry Date, the Optionee ceases to be a Participant:
 - (i) by reason of the Optionee's permanent physical or mental disability, or death, then such Optionee's Options may be exercised to purchase the total number of Option Shares not previously purchased by the Optionee whether or not the rights to purchase some or all of those Option Shares have previously vested in and are exercisable by the Optionee as at the date of ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 12 months after the date the Optionee ceases to be a Participant, due to such permanent physical or mental disability, or death. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder cease and expire and are of no further force and effect. For greater certainty but without limiting the generality of the foregoing, if the Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or

a subsidiary thereof, the Optionee is deemed to be an employee for the purpose of the Plan and the Option; or

- (ii) for any reason other than the Optionee's permanent physical or mental disability, or death, and the Optionee's termination occurs without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that the Optionee ceases to be a Participant. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or
- (iii) for any reason other than the Optionee's permanent physical or mental disability, death, or termination without notice or compensation in lieu thereof, and the Optionee is entitled to reasonable notice of termination or compensation in lieu thereof, then:
 - (1) the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee on or before the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and:
 - a. where the Optionee is given a reasonable period of notice prior to termination, the date the Optionee ceases to be a Participant; or
 - b. where the Optionee is paid compensation in lieu of reasonable notice of termination, the date that is 21 days after the Optionee ceases to be a Participant; and
 - (2) the Optionee is not entitled:
 - a. to further time to exercise the Option during such reasonable notice period or during such specific notice period; or
 - b. compensation in lieu thereof by way of general damages, or special damages, whether in contract, tort or otherwise.

Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect.

- (e) With respect to subclause 6(d)(i), the rights under the Option exercisable after the death or disability of the Optionee, as therein specified, may be exercised by the person or persons to whom the Optionee's rights under the applicable Option Agreement pass by will or applicable law or, if no such person has such right, by the deceased or disabled Optionee's legal representatives, within one year from the date of death or disability.
- (f) An Optionee has no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Optionee has exercised his Option to purchase thereunder, which the Optionee has actually taken up and paid for, and which have been duly issued to the Optionee and are outstanding as fully paid and non-assessable Common Shares.

- (g) If the Expiry Date of an Option is on a date during a Black-Out Period applicable to a Participant holding such Option, the Expiry Date shall be extended to the Black-Out Expiry Date.

7. CHANGES IN STOCK

In the event:

- (a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case:

- (e) the Board will, subject to any required approval of any regulatory authority or the Exchange, proportionately adjust the number of Option Shares available for Options, the number of Option Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the price per Option Share in such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees/Participants; and
- (f) the Board, in its discretion, may determine that:
 - (i) all or any part of the unexercised and unvested outstanding Options granted under the Plan vest and are exercisable on a date specified by the Board and the unexercised and unvested portion of such Options are thereupon deemed to have been vested and are exercisable on and after the date so specified in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
 - (ii) such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time,

and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

8. TAKEOVER BID

If an Offer is made which, if successful, would result in a Change of Control, then all unexercised and unvested outstanding Options shall immediately vest and become exercisable by the Participants, notwithstanding any other vesting provisions in the Plan or in an Option Agreement, as to all or any of the Common Shares in respect of which such Options have not previously been exercised, but such shares may only be purchased for tender pursuant to such Offer. If for any reason such shares are not taken up and paid for by the offeror pursuant to the Offer, any such shares so purchased by a Participant shall be deemed to be cancelled and returned to the treasury of the Corporation, shall be added back to the number of Common Shares remaining available under the Plan and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Participant all consideration paid for such shares and, in such event, the Participant

shall thereafter continue to hold the same number of unexercised and unvested outstanding Options on the same terms and conditions, including the Exercise Price thereof, as were applicable thereto immediately prior to time the subject Offer was made.

9. ARRANGEMENT, AMALGAMATION OR SALE

If the Corporation enters in an agreement providing for an arrangement, merger, amalgamation or other business combination which provides that the Common Shares are transferred in exchange for securities of another corporation, the units of a royalty trust or income trust, the units of a limited partnership or any other security, or are merged into or amalgamated with any other corporation, or sells all or substantially all of its assets, the Corporation will make provision that, upon the exercise of any outstanding Options after the effective date of such transaction, the Participants shall receive such number of securities of the other, continuing or successor corporation, trust or limited partnership, as the case may be, in such arrangement, merger, amalgamation or other business combination or of the shares or units of the purchasing corporation, trust or limited partnership, as the case may be, in such sale as the Participants would have received as a result of such transaction if the Participants had exercised the Options immediately prior thereto, for the same consideration paid on the exercise of such Options, and had held Common Shares on the effective date of such transaction. Upon such provision being made, the obligations of the Corporation to the Participants pursuant to the Option Agreements and under this Plan shall terminate and be at an end. If such arrangement, merger, amalgamation or other business combination results in a Change of Control, the provisions of Clause 8 shall apply and the context thereof and all references therein to "Offer" are to be read as being applicable to an "arrangement, merger, amalgamation or other business combination" and the reference in the first sentence of Clause 8, to 'tender pursuant to such Offer,' shall be read as meaning voting in favour of the arrangement, merger, amalgamation or other business combination at the shareholders' meeting held in connection therewith and the reference in the second sentence of Clause 8 to, 'shares not being taken up and paid for by the offeror pursuant to the Offer', shall be read as meaning that the arrangement, merger, amalgamation or other business is not completed.

10. PUT RIGHT

An Optionee (or in the event of the death of the Optionee, the Optionee's executors or personal representatives) may exercise the right (the "**Put Right**") from time to time to require the Corporation to purchase all or any of the then vested Options of the Optionee by delivery to the Corporation, at its head office, of a written notice of exercise ("**Put Notice**"), substantially in the form attached as Schedule "A" hereto, specifying the number of Options with respect to which the Put Right is being exercised. The Corporation will purchase from the Optionee all of the Options specified in the Put Notice at a price (the "**Put Price**") equal to the excess of the closing price of the Common Shares on the principal stock exchange on which they are traded on the date of receipt of the Put Notice by the Corporation (or if the Common Shares do not trade on the principal stock exchange on which they are traded, the next date on which the Common Shares trade on the principal stock exchange on which they are traded) (the "**Notice Date**") over the Exercise Price for each Option being purchased under the Put Right provided that the Put Notice is received by the Chief Financial Officer of the Corporation on or before 4:30 p.m. (Calgary time) on the Notice Date, or if the Put Notice is received by the Chief Financial Officer of the Corporation after 4:30 p.m. (Calgary time) on the Notice Date, the Put Price shall be the next date upon which the Common Shares trade on the principal stock exchange on which they are traded, or for such other amount as may be agreed to by the Optionee and the Corporation. Upon the exercise of the Put Right, the Corporation will cause to be delivered to the Optionee a cheque representing the Put Price multiplied by the number of Options specified in the Put Notice within three business days of the Notice Date. Unless the Optionee delivers a certified cheque for the amount of the withholding tax and other statutory deductions as determined by the Corporation in connection with the exercise of the Put Right, the Corporation will deduct this amount from the payment to the Optionee. Upon exercise of the Put Right and its acceptance by the Corporation, the Options are deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder. Notwithstanding the foregoing, the Corporation may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time and from time to time.

11. WITHHOLDINGS AND TAX ELECTION

- (a) To the extent required under applicable law or regulation, the Corporation shall be entitled to take all reasonable and necessary steps, including the sale of any Option Shares issued upon the exercise of any Option granted under the Plan (other than a redemption or purchase for cancellation), or

obtain all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation to any taxing authorities arising in respect of any exercise of any Options or Put Rights granted under the Plan by the Corporation and the President of the Corporation shall be and is hereby appointed as the irrevocable attorney-in-fact for any person granted an Option under this Plan to take all such reasonable and necessary steps or sales of Option Shares including, without limitation, Option Share sales resulting from the exercise of Put Rights. The Corporation does not accept responsibility for the price obtained on the sale of such Option Shares;

- (b) Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options or Put Rights under the Plan or under any Option Agreement, whether arising as a result of the grant or exercise of Options, Put Rights or otherwise. The Corporation makes no guarantee or representation to any person regarding the tax treatment of Options or Put Rights or payments made under the Plan or any Option Agreement and none of the Corporation, or any of its officers, directors, employees or other representatives shall have any liability to a Participant with respect thereto; and
- (c) With respect to all Options and Put Rights, the Corporation agrees to elect under subsection 110(1.1) of the *Income Tax Act* (Canada) so as to permit the Optionee to claim a deduction under paragraph 110(1)(d) of the said Act with respect to the exercise price, or the Put Price, as the case may be.

12. COMMON SHARES FULLY PAID AND NON-ASSESSABLE

All Common Shares issued upon the exercise of any Option are to be issued as fully paid and non-assessable Common Shares.

13. CONDITIONS OF ISSUANCE OF COMMON SHARES

- (a) If at any time the Board or Committee (as the case may be) determines, in its discretion that:
 - (i) the registration or qualification of the Common Shares which are the subject of any Option Agreement, or the consent or approval of, any securities commission or any stock exchange upon which the Common Shares are listed;
 - (ii) the registration or qualification under any laws of Canada or any Province thereof or of the United States or any state thereof or the consent or approval of any regulatory authority thereof;
 - (iii) evidence (in form and content satisfactory to the Board) of the investment intent of the Optionee; and/or
 - (iv) an undertaking of the Optionee as to the sale or disposition of such Option Shares that may be purchased pursuant to an Option Agreement to the effect that such Option Shares once purchased are not to be traded by the Optionee for a specified period of time,

is necessary or desirable as a condition of the issuance of any Option Shares pursuant to any Option Agreement, then the issuance of any Common Shares is not to be made unless and until such registration, qualification, consent, approval, evidence or undertaking has been effected or obtained free of any condition not acceptable to the Board or Committee.

- (b) Any trade by the Optionee in any Common Shares issued to the Optionee pursuant to the Plan including, without limiting the generality of the foregoing, any sale or disposition for valuable consideration, and any transfer, pledge or encumbrance of any Common Shares issued to an Optionee pursuant to the Plan, is subject to such regulatory approvals and other restrictions under applicable securities laws and regulatory policies as may be required at the time of such trade.

Accordingly, the Corporation makes no representation as to the ability of any Optionee to trade in such Common Shares.

- (c) The Corporation cannot assure a profit or protect the Optionee against a loss on the Common Shares purchased under the Plan. The Corporation assumes no responsibility relating to any tax liability of the Optionee by reason of the exercise of any Option or any subsequent trade.

14. ACCOUNTS AND STATEMENTS

The Corporation will maintain records indicating the number of Options granted to each Optionee and the number of Options exercised under the Plan. Upon written request from an Optionee, the Corporation will furnish to that Optionee a statement indicating the number of Options held on his behalf.

15. AMENDMENT AND TERMINATION

- (a) Subject to the exceptions set out below, the Board may at any time or from time to time, in its sole and absolute discretion, suspend, terminate or discontinue the Plan and may amend the terms and conditions of Options granted pursuant to the Plan, subject to any required approval of any regulatory authority or the Exchange.
- (b) Without limiting the generality of the foregoing, some of the examples of the types of changes to this Plan or Options granted under it that the Board could make without shareholder approval include:
 - (i) housekeeping changes (such as a change to correct an immaterial inconsistency or clerical omission or a change to update a routine administrative provision such as contact information);
 - (ii) a change to the termination provisions for this Plan or for an Option as long as the change does not permit the Board to grant an Option with an Expiry Date of more than ten (10) years or extend an outstanding Option's Expiry Date;
 - (iii) a change deemed necessary or desirable to comply with applicable law or regulatory requirements; and
 - (iv) a change to alter, extend or accelerate the terms and conditions of vesting applicable to any Option.
- (c) The approval of the shareholders of the Corporation will be required for amendments to this Plan which:
 - (i) reduces the Exercise Price of an Option or results in any cancellation and reissuance of an Option;
 - (ii) extends the term of an Option beyond its Normal Expiry Date;
 - (iii) changes the definition of "Participants" herein to permit the introduction or reintroduction of Non-Executive Directors on a discretionary basis or that increase limits previously imposed on Non-Executive Director participation;
 - (iv) results in an increase in the number of Common Shares issuable under this Plan or the number of unissued Common Shares that may be subject to Options granted to Optionees under this Plan;

- (v) would permit Options granted under this Plan to be transferable or assignable other than for normal estate settlement purposes;
 - (vi) change this Clause 15; and
 - (vii) require approval by shareholders of the Corporation under applicable law (including, without limitation, the rules, regulations and policies required by the Exchange).
- (d) In the event of any conflict between subclause 15(b) and subclause 15(c), the latter shall prevail.

16. CLAWBACK

Notwithstanding anything to the contrary in this Plan, the Board may seek reimbursement of Options awarded to an officer of the Corporation pursuant to this Plan and any Common Shares issued upon exercise thereof, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation's financial statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for the restatement; and (c) the value of the Options awarded would have been lower had the financial results been properly reported.

17. WAIVER

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless the same is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

18. NOTICES

The manner of giving notices to the Corporation or to an Optionee is to be specified in the Option Agreement with such Optionee.

19. GENERAL

- (a) This Plan and each Option granted under this Plan are to be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to this Plan is to be treated in all respects as an Alberta contract.
- (b) Nothing contained herein restricts or limits or is deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of shares in the capital stock of the Corporation which are not reserved for issuance hereunder.
- (c) Options granted under this Plan, and any interest therein, will not be transferrable or assignable by any Optionee, and may not be made subject to execution, attachment or similar process, otherwise than for normal estate settlement purposes or by operation of law. During the lifetime of the Optionee, an Option will be exercisable only by the Optionee and any elections with respect to an Option may be made only by the Optionee. The terms of the Option shall be binding upon the executors, administrators and heirs of the Optionee.
- (d) Upon granting options to employees or Consultants the Corporation will represent that the Optionee is a bona fide employee or Consultant as the case may be.
- (e) In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

20. EFFECTIVE DATE

This Plan is effective as of this 3rd day of May, 2021.

SCHEDULE "A"

SYLOGIST LTD.

INCENTIVE STOCK OPTION PLAN

PUT NOTICE

Sylogist Ltd.
Suite 102, 5 Richard Way S.W.
Calgary, Alberta T3E 7M8

Dear Sirs:

I wish to exercise my Put Right and surrender for cancellation certain of my Options to acquire Common Shares of Sylogist Ltd. ("**Sylogist**") in exchange for payment per Option of the Put Price. Details are as follows:

Date of Option Agreement: _____

No. of Options surrendered for cancellation: _____

Exercise Price: \$ _____

Closing price per Common Share: \$ _____

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Incentive Stock Option Plan of Sylogist dated effective May 3, 2021.

I understand that Sylogist will issue a cheque to the name indicated below for the Put Price, less any income tax withholding requirements within three business days of receipt of this letter.

Signature of Optionee

Name: _____

Address: _____



SYLOGIST LTD.

Suite 401, 5920 – 1A Street SW

Calgary, Alberta, Canada

T2S 1R8

Telephone: (403) 266-4808

Facsimile: (403) 233-0845