



**ZONETAILE INC.**

**Notice of Annual Meeting and Special Meeting of Shareholders**

**To be held on December 27, 2019**

**&**

**Management Proxy Circular**

**Dated November 27, 2019**

# **ZONETAILE INC.**

## **Notice of Annual and Special Meeting of Common Shareholders**

**TIME:** Friday December 27, 2019 1:00 p.m. (EST)

**LOCATION:** Zonetail Head Office, 20 Dalhousie Street, Toronto, On, M5B 1Y7

### **BUSINESS OF THE MEETING**

At the meeting, Shareholders will be asked to:

1. receive the financial statements for the year ended December 31, 2018, and the related auditor's report;
2. fix the number of directors to be elected for the ensuing year at six (6);
3. elect the Board of Directors of Zonetail Inc. for the ensuing year;
4. appoint MNP LLP, Chartered Accountants as the auditors of Zonetail Inc. for the ensuing year and authorizing the Board of Directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass an ordinary resolution approving Zonetail Inc.'s stock option plan;
6. transact any other business which may properly come before the meeting.

The details of all matters proposed to be put before the Shareholders at the meeting are set forth in the accompanying information circular.

To ensure your vote is counted, proxies must be received by the company's transfer agent, TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 at least 48 hours prior to the meeting.

By order of the Board of Directors,



Mark Holmes, President and CEO

November 27, 2019

# MANAGEMENT PROXY CIRCULAR

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## VOTING INFORMATION PROXY SOLICITATION

You received this circular in connection with Zonetail Inc.'s (the "Corporation" or "Zonetail") management's solicitation of proxies for the Annual and Special Meeting of Common Shareholders (the "Meeting") to be held at the time and place and for the purposes listed in the Notice of Annual and Special Meeting accompanying this circular. The Corporation has retained the TSX Trust Company to assist with this process. The costs incurred by the solicitation of proxies, will be borne by the Corporation.

No director of the Corporation has informed management in writing that he or she intends to oppose any action intended to be taken by management at the Meeting.

Zonetail is sending proxy-related materials directly to non-objecting beneficial owners under NI 54-101. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 (Request for Voting Instructions Made by Intermediary). An objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

The Corporation will not be providing the Notice of Meeting, the Proxy Circular, or the Form of Proxy to Registered Shareholders or Beneficial Shareholders (as defined herein) through the use of notice-and-access, as such term is defined in NI 54-101.

In this circular, unless otherwise specified herein, all references to dollar amounts are to Canadian dollars.

**A Shareholder may attend the Meeting in person or may be represented by proxy. This circular is accompanied by a form of proxy which permits registered Shareholders who do not attend the Meeting in person to have their shares voted at the Meeting by a proxyholder. The individual(s) named in the accompanying form of proxy are management's representatives. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on his or her behalf at the Meeting other than the persons named in the enclosed form of proxy. The shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for at the Meeting. If the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the Notice of Meeting and in this circular. To exercise the right to appoint their own proxy, a Shareholder must strike out the names of the persons named in the form of proxy and insert the name of their nominee in the blank space provided or complete another form of proxy.**

**Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed form of proxy must be received by TSX Trust Company, Attention: Proxy Department, 301 -100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding**

**Saturdays, Sundays and statutory holidays) prior to the Meeting or any adjournment or postponement thereof. Registered Shareholders may also use the internet ([www.voteproxyonline.com](http://www.voteproxyonline.com)) to transmit their voting instructions.**

The proxyholder has discretion under the accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review this circular carefully before submitting the form of proxy.

The person or entity giving the proxy has the right to revoke it at any time before it is exercised. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing (or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited at TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

## **WHO CAN VOTE**

Common Shareholders have the right to vote on any matters brought forward at the Meeting if they owned shares on the Corporation's record date, November 12, 2019. There were 64,774,130 outstanding shares that were eligible to vote on that date. Shareholders are entitled to one vote for each common share registered in their name or beneficially owned by them on November 12, 2019, subject to the applicable restrictions. A simple majority of the votes cast by proxy or in person will constitute approval of matters voted on at the Meeting.

Zonetail's Board of Directors (the "Board") and management are not aware of any person who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the common shares.

Each Shareholder who is entitled to attend the Meeting is encouraged to participate in the Meeting and are urged to vote on matters to be considered at the Meeting in person or by proxy.

## **HOW TO VOTE**

How you vote depends on whether you are a non-registered (beneficial) or registered Shareholder.

**Non-registered (beneficial) Shareholders:** An intermediary such as a securities broker, trustee or financial institution holds your shares. Your intermediary sent you a voting instruction form with this circular. Follow the instructions carefully in order to have your vote counted.

**Registered Shareholders:** Your shares are registered directly in your name with our transfer agent, TSX Trust Company. A form of proxy is included in this package. Follow the instructions carefully in order to have your vote counted.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

To the Board's knowledge, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

### **1. Financial Statements**

Receive the financial statements for the year ended December 31, 2018, and the related auditor's report.

At the Meeting, the audited financial statements of the Corporation for the financial year ended December 31, 2018, with the related auditor's notes will be presented.

In accordance with applicable laws, the Financial Statements have been delivered to Beneficial Shareholders who have requested copies of the Corporation's annual financial statements and to non-objecting Shareholders. The Corporation's financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

### **2. Fixing the Number of Directors to be Elected at the Meeting**

At the Meeting, management of the Corporation will propose that six (6) directors be elected to hold office until the next annual meeting of Shareholders, subject to the provisions of the Corporation's Articles of Incorporation and bylaws relating to subsequent appointments by the Board.

The resolution which management intends to place before the Meeting for the approval of the fixing of the number of directors is as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of the Shareholders of Zonetail Inc. (the "Corporation") that:

the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the Shareholders of the Corporation be and is hereby fixed at six (6)."

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote **IN FAVOUR** of the resolution.

Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies **IN FAVOUR** of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).

### 3. Election of Directors

#### DIRECTOR NOMINEES

Six (6) nominees, all of whom are current Zonetail directors, are standing for re-election. Directors will be elected as part of a slate and will be elected to hold office until the next annual meeting of Shareholders unless his or her office is earlier vacated in accordance with the Ontario Business Corporations Act (OBCA). Management does not contemplate that any of such nominees will be unable to serve as directors.

The following are the names and municipalities of residence of each proposed director of Zonetail, the positions and offices to be held with Zonetail, each of their respective principal occupations within the five preceding years and the number of Zonetail shares which will be beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them.

**The Zonetail Board believes the election of the below named nominees as directors of the Corporation, is in the best interests of the Corporation, and recommends that the Zonetail Shareholders vote IN FAVOUR of electing the nominees.**

<b>Name, State/Province of Residence of New Slate</b>	<b>Director of Zonetail Since</b>	<b>Principal Occupation</b>	<b>Zonetail Inc. Shares, Directly or Indirectly, Beneficially Owned<sup>(1)</sup></b>
Mark Holmes <sup>(5)</sup> Ontario, Canada	2013	Mr. Holmes has been Zonetail's President and Chief Executive Officer since the Corporation's inception.	5,938,223 <sup>(2)</sup>
Paul Scott <sup>(3)(4)(5)</sup> California, United States	2013	Mr. Scott has been the President of Scott Analytics since 2008, and the CEO of KorvaLabs, Inc. Since 2015.	2,899,821
William Morris Rogers <sup>(4)</sup> Georgia, United States	2017	Mr. Rogers has been the President and CEO of the American Hotel and Lodging Association since January 2019. He served as President & CEO of the Asian American Hotel Owners Association (AAHOA) from 2014-2019.	nil
Reetu Gupta, <sup>(5)</sup> Ontario, Canada	2018	Mrs. Gupta is the President and Chief Executive Officer of the Easton Group of Hotels. She is the co-founder and Chief Strategy Office of Rogue Insight Capital Ltd.	2,000,000

Name, State/Province of Residence of New Slate	Director of Zonetail Since	Principal Occupation	Zonetail Inc. Shares, Directly or Indirectly, Beneficially Owned <sup>(1)</sup>
William David Oliver <sup>(4)(5)</sup> Ontario, Canada	2018	Mr. Oliver has been the President of Strategic Hospitality Services Inc. for the past 30 years. He was SVP at Dundee 360 Real Estate Corporation until 2015. David currently sits on the Board of InTouch Insight Ltd. and on the Advisory Board of Routier.	286,200
Errol Farr, Ontario, Canada	2019	Mr. Farr is the CFO of Zonetail; Magna Terra Minerals Inc.; Aurcrest Gold Inc.; and Mammoth Resources Corp. He is the former CFO of Anaconda Mining Inc.	Nil

**Notes:**

- (1) The information as to the number of Resulting Issuer Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of Zonetail, has been furnished by the respective individuals.
- (2) Includes Zonetail shares Mark Holmes received as repayment for Zonetail's Shareholders' loans and as a result of his employment agreement.
- (3) Chairman of Zonetail's Board of Directors.
- (4) Zonetail's Audit and Disclosure Committee Member; Paul Scott is the Audit and Disclosure Committee Chair.
- (5) Zonetail's Nominating, Governance, and Compensation Committee Member; William David Oliver is the Committee Chair.

**Biographies of Directors**

The following is a brief description of each of the Corporation's directors (including details with regard to their principal occupations for the last five years).

**Mark Holmes** – Mark, 49, is the Co-Founder of Zonetail. He has served as President and Chief Executive Officer since 2013. He serves as a Director on the Corporation's Board and member of the Nominating, Governance, and Compensation Committee. Mark led the Company through its early growth stages from initial concept, product development, recruitment, property acquisition, deployment, and into early stage revenue. He has also completed four successful rounds of financing, totaling over \$6.5 million dollars, this includes taking the Company public on the TSX-V in 2018. Mark's experience in raising capital, his strength in sales and marketing as well as strategy and execution has led to him establishing partnerships with high profile organizations such as AAHOA and Shiftsuite, among many others. Under Mark's leadership, Zonetail has amassed over 25,000 hotels and over 2,000 condominium buildings in its portfolio. Mark attended McMaster University.

**Paul Scott** – Paul Scott, 52, is a Director and Chair of the Corporation’s Board, and the Audit and Disclosure Committee, he is also a member of the Nominating, Governance, and Compensation Committee. Paul has been the President of Scott Analytics since 2008 and the CEO of KorvaLabs Inc. since 2015. He is the former Director of Clients at the UCLA Olympic Analytical Laboratory. Prior to joining the UCLA laboratory, he was a patent attorney at the New York offices of Sidley, Austin, Brown and Wood. Paul has a JD from Rutgers Law School, Newark.

**William “Chip” Morris Rogers** – Chip, 51, serves as a Director on Zonetail’s Board and member of the Corporation’s Audit and Disclosure Committee. He is currently the CEO & President of the American Hotel and Lodging Association and was the CEO & President of the Asian American Hotel Owners Association (AAHOA) from 2009-2018. Chip is a former American politician from the state of Georgia. He was first elected in 2002 to the Georgia General Assembly to the Georgia House of Representatives and was chosen as the Senate Majority Leader in 2008 and again in 2010. Chip served on a number of committees in the Georgia state senate including: banking and financial institutions; economic development; and finance. Chip graduated from the Georgia Institute of Technology with a certificate in Economics in 1991 and completed his MBA at Georgia State University’s J. Mack Robinson College of Business.

**Reetu Gupta** – Reetu, 36, serves on the Corporation’s Board and is a member of the Nominating, Governance, and Compensation Committee. She is currently the President & CEO of the Easton’s Group of Hotels and The Gupta Group. Reetu is also the Co-Founder and Chief Strategy Officer of Rogue Insight Capital Ltd. Reetu has been honoured with numerous national accolades, including Canada’s Top 40 Under 40® in June 2017 and most recently in November 2019, she was named one of Canada’s Top 100 Most Powerful Women™ by the Women’s Executive Network (WXN). Reetu graduated with a BBA from the University of Toronto and an MBA from the Schulich School of Business.

**William “David” Oliver** – David, 72, serves as a Director on Zonetail’s Board and is the Chair of the Nominating, Governance, and Compensation Committee. He is also a member of the Corporation’s Audit and Disclosure Committee. David has been the President of Strategic Hospitality Services Inc. for the past 30 years and was the Senior Vice President at Dundee 360 Real Estate Corporation from 2011 to 2015. David has been involved in financing, operations, and development within the hospitality industry for over 35 years. He has held board positions with several hospitality and technology listed companies. He currently sits on the Board of InTouch Insight Ltd. and on the Advisory Board of Routier. David is a graduate of the University of Nevada with a degree in Hospitality, Casino and Tourism Management.

**Errol Farr** – Errol, 58, joined Zonetail’s Board in November 2019 as a Director. Errol is the Corporation’s Chief Financial Officer and Corporate Secretary, a role assumed in October 2019. Errol is also CFO of Magna Terra Minerals Inc., Aurcresct Gold Inc., and Mammoth Resources Corp., as well as a mentor and business advisor at Muir Tapes and Adhesives. He is the former CFO of Anaconda Mining Inc. He was CFO, CEO and Chair of the Board at Reliant Gold Corp. and a Director at American Rare Earths and Materials. Errol is a CPA and CMA.

### ***Cease Trade Orders***

As at the date of this circular, no proposed director of Zonetail (nor any personal holding company of any of such persons) is or has been within ten years before the date of this circular, a director, chief executive officer or chief financial officer of any company, that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than thirty (30) consecutive days (collectively, an “Order”), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

*Except* for Errol Farr who was a Director of Mammoth Resources Corp., which was cease traded for 69 days from April 30, 2015 to August 11, 2015 by the British Columbia Securities Commission for failure to file financial statements.

### ***Bankruptcies***

As at the date of this Information Circular, no proposed director of Zonetail (nor any personal holding company of any of such persons): (i) is or has been within ten years before the date of this information circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

*Except* Errol Farr who was an Officer and Director of Outlook Resources Inc. (“Outlook”) until August 2010. Outlook filed a Proposal under the Bankruptcy and Insolvency Act of Canada which was approved by the Court on March 21, 2011 and has not yet been finalized.

### ***Penalties and Sanctions***

As at the date of this Information Circular, no proposed director of Zonetail (nor any personal holding company of any of such persons) 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 investor in deciding whether to vote for a proposed director.

## **Retired Directors**

**Adam Topp** – Adam, 53, served as a Director on Zonetail’s Board as well as the Chair of the Audit and Disclosure Committee. Adam resigned from the Committee and the Board effective November 2019. He will not seek re-election to Zonetail’s Board. Adam worked in the health care sector for more than twenty-five years developing a unique background that combines financial, clinical and operational leadership as well as consulting. Adam is currently Partner and CEO of Benchmark Intelligence Group Inc. (BIG Healthcare). Prior to forming BIG Healthcare, Adam was a Senior Associate Consultant with Hay Group Health Care Consulting. Adam also worked with Hay Group between his appointments at the Winnipeg Regional Health Authority and Sunnybrook & Women’s College Health Sciences Centre. In Winnipeg, Mr. Topp was Chief Operating Officer simultaneously for both Winnipeg Health Sciences Centre and Grace General Hospital. At Sunnybrook for 10 years, Adam was Vice President Clinical Operations, and prior to that, Vice President Corporate Performance & Chief Financial Officer.

### **4. Appointment of Auditor**

The Board proposes the appointment of MNP LLP (“MNP”), Chartered Accountants as the Corporation’s auditors until the next annual meeting. The Board also seeks authorization to fix their remuneration. MNP became the Corporation’s auditor on December 31, 2017. A description of fees paid to the auditor can be found under the Executive Compensation section of this circular. The Board recommends voting for MNP as the auditor.

### **5. Approval of the Stock Option Plan**

The Corporation has adopted an incentive stock option plan (the “Option Plan”), substantially in the form attached as Schedule “A” to this information circular, which provides that the Board may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options (“Options”) to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a capital pool company (“CPC”), the aggregate number of Common Shares issuable upon exercise of all Options granted under the Option Plan shall not exceed ten percent (10%) of the Common Shares of the Corporation issued and outstanding. Such Options will be exercisable for a period of up to ten (10) years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to: (i) any individual will not exceed five percent (5%) of the issued and outstanding Common Shares; and (ii) all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. In addition, the Option Plan provides that: (i) no more than five percent (5%) of the issued shares of the Corporation will be granted to any individual in any twelve (12) month period; (ii) no more than two percent (2%) of the issued shares of the Corporation will be granted to any one consultant in any twelve (12) month period; and (iii) no more than an aggregate of two percent (2%) of the

issued shares of the Corporation will be granted to an employee conducting investor relations activities in any twelve (12) month period.

Options must be exercised within ninety (90) days following cessation of the optionee's position with the Corporation unless the optionee was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the optionee's services to the Corporation, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one (1) year after such death, subject to the expiry date of such option.

The exercise price of the Options shall be determined by the Board at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the TSX-V. Subject to any vesting restrictions imposed by the TSX-V, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

Pursuant to the policies of the TSX-V, stock option plans which reserve for issuance up to ten per cent (10%) of a listed company's shares must be approved annually by shareholders of the listed corporation. This approval is being sought at the Meeting.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Shareholders of Zonetail Inc. (the “Corporation”) that:

1. the stock option plan of the Corporation, substantially in the attached form as Schedule “A” to this information circular, be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation; and
3. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other actions as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote **IN FAVOUR** of the resolution.

Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies **IN FAVOUR** of the ordinary resolution approving the Option Plan for the ensuing year.

## **CORPORATE GOVERNANCE**

### **Board of Directors**

The Corporation's Board facilitates its exercise of independent supervision over management by consisting of a majority of independent directors and frequent board meetings with scheduled in-camera sessions.

#### ***Independence***

*A director is independent if he or she has no direct or indirect material relationship with the corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment.*

*A director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such director may be required to recuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place.*

The Board is comprised of six (6) directors, four (4) of whom are considered independent. Independent directors are Paul Scott, who is also the Board's Chair and the Audit and Disclosure Committee Chair; David Oliver, who is the Nominating, Governance, and Compensation Committee Chair, Reetu Gupta, and William "Chip" Morris Rogers. Mark Holmes and Errol Farr are non-independent on the basis that they are the CEO and CFO respectively.

Regular Board meetings are scheduled at least once each financial quarter. Special Board meetings are called as needed.

#### **Other Public Company Directorships (for past 5 years)**

<b>Director</b>	<b>Company</b>	<b>Years</b>
Mark Holmes	N/A	N/A
Paul Scott	N/A	N/A
William Rogers	N/A	N/A
Reetu Gupta	Greenland Resources Inc.	2015 - Present

William David Oliver	Intouch Insight Ltd.	2017 - Present
Errol Farr	Reliant Gold Corp	2015-2016

## **Board Mandate**

The Board is responsible for supervising the management of the business and affairs, including providing guidance and strategic oversight to management. The Board has adopted a formal mandate inclusive of the role and responsibilities of the Board, the Chair of the Board, and the Corporation's CEO. The Board's mandate is outlined in Appendix "C" of this circular. It is also available on the Corporation's website, [www.zonetail.com](http://www.zonetail.com).

## **Orientation and Continuing Education**

New directors are provided with briefings and copies of key documents, also copies of previous meetings material such as meeting minutes, financials, and other reports. They are encouraged to interact with management and other directors during and outside of formal meetings. Although there are no formal orientation and continuing education programs in place currently, directors are kept up to date on the Corporation's operations frequently through Committee and Board meetings. The Board is also updated on operations and regulatory information via electronic information sharing. Directors are briefed frequently on matters having to do with the Corporation, the sector, and general corporate governance guidelines. Each director of the Corporation has the responsibility to ensure that he or she maintains the skills and knowledge necessary to meet his or her obligations as a director.

## **Ethical Business Conduct**

In addition to abiding by the fiduciary duties place on directors by governing corporate and common laws. The Board has instituted a Code of Conduct available on the Company's website at [www.zonetail.com](http://www.zonetail.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) by which the entire Corporation must abide. The Board hired a Governance Officer to assist with the monitoring of regulatory compliance.

## **Nomination of Directors**

The Nominating, Governance, and Compensation Committee (NGC Committee) and the Board are responsible for identifying individuals qualified to become new Board members. Nominees are selected based on the Board's needs and the nominee's attributes such as area of expertise and experience. Once identified, the nominees are referred to the Board for selection.

## **Board Renewal**

The Corporation's Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, age-related retirement policies and other mechanisms of board renewal, the NGC Committee and the Board will seek to maintain the composition of the Board in a way that provides the best mix of skills and experience to provide for our overall stewardship.

## **Compensation**

The NGC Committee meets as necessary to provide recommendations according to the Corporation's NGC Committee Charter, with respect to compensation to executive officers and the Board. The Board reviews the recommendations and determines compensation. Further information on the policies and practices of the Corporation in determining compensation is outlined in the Executive Compensation section of this circular, and Appendix "B" (the NGC Committee Charter).

## **Assessment of Directors and the Board**

The Board has not yet introduced formal Board or director assessment procedures. It is working at adopting such procedures.

## **Committees of the Board**

There are two (2) committees of the Board, the Audit and Disclosure Committee and the NGC Committee. The Audit and Disclosure Committee charter may be viewed in Appendix "A" and the NGC Committees' charter may be viewed in Appendix "B". Both Committees' charters are available on the company's website at [www.zonetail.com](http://www.zonetail.com).

### **1) AUDIT AND DISCLOSURE COMMITTEE**

The following information is provided in accordance with Form 52-110F2 – Audit Committees under NI 52-110.

The Audit and Disclosure Committee was established as a standing committee of the Board to assist the Board in fulfilling its oversight responsibilities with respect to the integrity of the Corporation's financial reports; performance of the external auditor; adequacy of the Corporation's internal control practices; capital and risk management; independence of directors; and timeliness and accuracy of material disclosures. The full text of the Audit and Disclosure Committee Charter is available in Appendix "A".

### *Financial Literacy*

Each of the three Audit and Disclosure Committee members have satisfied the financial literacy requirements as defined in NI 52-110F2. They are all equipped to read and understand financial

statements and handle complex accounting issues having to do with the Corporation.

#### *Composition of the Audit and Disclosure Committee*

The Audit and Disclosure Committee of the Board consists of three (3) independent directors Paul Scott (Chair), William David Oliver, and William “Chip” Morris Rogers.

#### *Relevant Education and Experience*

The Audit and Disclosure Committee members have an understanding of the accounting principles used by the Corporation to prepare its financial statements. Each of the committee members hold or have held senior level positions within organizations where they have had to oversee persons engaged in the preparing and analyzing of financial statements.

Paul Scott, the Audit and Disclosure Committee Chair, is a former patent attorney and is currently the President of Scott Analytics, a position held since 2008. Paul is also the CEO of KorvaLabs Inc. since 2015, and was previously Director of Clients at the UCLA Olympic Analytical Laboratory. Paul’s experience and knowledge affords him the skills and judgment necessary to successfully apply and oversee the application of the rules set out in the Corporation’s Audit and Disclosure Committee Charter.

William “David” Oliver has been involved in financing, operations and development within the hospitality industry for over 35 years and has held board positions on several hospitality and technology listed companies. He currently serves as the Chair of the Corporation’s Nominating, Governance, and Compensation Committee. David’s years of experience in various management roles including oversight of asset management and capital planning along with his financial intelligence qualifies him to successfully serve on the Corporation’s Audit and Disclosure Committee.

William “Chip” Morris Rogers is the former CEO & President of the Asian American Hotel Owners Association (AAHOA), and is currently the CEO & President of the American Hotel and Lodging Association. He graduated with a certificate in Economics and later went on to complete his MBA. Chip is a former American politician from the state of Georgia. He served as the Georgia Senate Majority Leader, and served on a number of committees in the Georgia state senate, including: banking and financial institutions; economic development; and finance. Chip’s education and wealth of experience in finance provides him with the skillset necessary to serve on the Corporation’s Audit and Disclosure Committee.

#### *Exemption*

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) thereof.

## 2) NOMINATING, GOVERNANCE, AND COMPENSATION COMMITTEE

The Nominating, Governance and Compensation Committee (NGC Committee) was established by Zonetail's Board to assist the Board with its oversight responsibilities related to nomination and succession planning; corporate governance initiatives; and compensation. The full text of the NGC Committee charter is available in Appendix "B".

The NGC Committee is comprised of four (4) directors, three (3) of whom are independent and one non-independent. William David Oliver (Committee Chair), Paul Scott, and Reetu Gupta are independent. Mark Holmes is non-independent because he is the CEO of the Corporation.

## **ABOUT ZONETAIL**

Zonetail provides mobile platforms to hotels and condominiums connecting the guests of a hotel and the residents of a condo to the amenities and services of their building through the convenience of their personal mobile device. Included on both platforms is an explore section highlighting the businesses and services in the local area. These businesses pay to be on the platform to reach the highly sought, but often difficult to reach hotel guest and condo resident.

Zonetail is partnered with the Asian American Hotel Owners Association (AAHOA), the largest association of hoteliers in the world, representing over 25,000 hotels and 50% of the US market. Zonetail is also partnered with Shiftsuite, one of the largest property management system software providers to the condo industry in Canada, with approximately 2,000 condo buildings, representing an estimated 400,000 units.

Throughout 2019, the Corporation began its rollout of the hotel platform in conjunction with AAHOA, and have launched in 9 major North American cities to date, and plans to work closely with AAHOA to continue the onboarding of hotels, and building the user base, city-by-city throughout the remainder of 2019 and into 2020.

The launch of the condo platform was announced in January of 2019, and the Corporation has continued to work with the condo property management corporations throughout the year to promote the app directly to their residents. Downloads continue to increase quarter over quarter, with the six months ended June 30, 2019 seeing a 519% increase in downloads over the first quarter of 2019. The second half of 2019 has already surpassed a 120% increase over the first half of the year.

Zonetail has two offices – Toronto, Ontario and San Dimas, California. Zonetail's head office is located at 20 Dalhousie Street, Toronto, Ontario, Canada M5B 2A5. The San Dimas office is located at 430 S. Cataract Ave., San Dimas, CA 91773.

## **ZONETAİL'S EXECUTIVE TEAM**

### **Mark Holmes, President and CEO**

Mark Holmes is a business leader with deep experience in the hospitality industry. As Co-Founder, President & CEO of Zonetail, Mark has led the Corporation through its early growth stages from initial concept, product development, recruitment, property acquisition, and early growth strategies - which includes completing four successful rounds of financing, totalling over six and a half million dollars.

Mark's previous experience as CEO and President of Kingsway Agencies for over ten years, (the oldest company in North America supplying hotels with in-room guest directory books), as well as his prior eleven-year career as an award winning strategist and senior copywriter with several of Canada's leading advertising agencies, has proven to be a critical asset to the successful launch of Zonetail.

Known as a strategic thinker, innovator and entrepreneur, Mark's comprehensive background in sales, advertising/marketing and team building has led to establishing partnerships with high profile organizations such as AAHOA, and Shiftsuite, among others.

Under Mark's leadership, Zonetail has amassed over 25,000 hotels and over 2,000 condominium buildings in its portfolio, making Zonetail the largest mobile application provider to the hotel and condo industries worldwide.

### **Errol Farr, CFO and Corporate Secretary**

Errol Farr has been Chief Financial Officer and Corporate Secretary of Zonetail since October 2019. He is currently CFO of Magna Terra Minerals Inc., Aurcresct Gold Inc., and Mammoth Resources Corp., as well as a mentor and business advisor at Muir Tapes and Adhesives. Errol was the President and CEO of Adex Mining Inc., where he led the development plans of the Mount Pleasant mine site in New Brunswick, Canada. He is the former CFO of Anaconda Mining Inc. and of Mag Industries Corp., where he participated in the development of its potash project and led the development of its forestry assets including the construction of its wood chipping mill in the port city of Pointe Noire, Republic of Congo. As a CPA and CMA, accompanied by his experience working as a senior executive and director for several other junior mining companies for the past 20 years, Errol brings significant financial, management and operational experience to Zonetail.

### **Ken Singh, VP Business Development/Operations**

With more than 17-years of IT experience, Ken has held senior leadership roles with BMC Software, 12 Technologies, Bell Micro Products, and most recently as VP, Mobility at SAP Canada.

Brian Davies, **VP Sales**

Brian gained significant experience through his 20-year career with IBM, most recently as senior executive of IBM Software Group, managing sales and tech teams, as well as growth through acquisitions.

## **EXECUTIVE COMPENSATION**

### **COMPENSATION OF THE CORPORATION'S EXECUTIVES AND DIRECTORS**

#### **Compensation Discussion and Analysis**

##### *Interpretation*

“Named executive officer” (“**NEO**”) means:

- (i) a Chief Executive Officer (“**CEO**”);
- (ii) a Chief Financial Officer (“**CFO**”);
- (iii) each of the 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 whose total compensation was, individually, more than \$150,000 for that financial year; and
- (iv) each individual who would be a NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Mark Holmes, President and CEO of the Corporation, Dan Crandall, and Monica Delorme - both former CFO's of the Corporation, and Craig Leon the former CEO of Revelstoke Equity Inc. (see Compensation of Executive Officers Note 3).

##### *Compensation Program Objectives*

In light of the Corporation's current stage of business, it does not have a formal compensation program. Upon recommendation of the NGC Committee, the Board meets to discuss and determine management compensation without reference to formal criteria. The general objective of the Corporation's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view of increasing long-term

shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other comparable companies in order to enable the Corporation to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a technology and marketing company without a history of earnings.

### ***Purpose of the Compensation Program***

The Board, as a whole, upon recommendation of the NGC Committee ensures that total compensation paid to all NEOs is fair and reasonable and accomplishes the following long-term objectives:

- produce long-term positive results for the Corporation's shareholders;
- align executive compensation with corporate performance; and
- provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain, and motivate the executive talent necessary to be successful.

The Board also relies on the experience of its members in assessing compensation levels.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary and/or compensation, performance bonuses and stock option incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary and/or compensation of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

Stock options are generally awarded to NEOs on an annual basis based on performance. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the shareholders' investments.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### ***Intervention of the Board***

The base salary and/or compensation and the performance bonus of the NEOs' of the Corporation, other than the CEO, are reviewed annually by the CEO, who makes recommendations to the NGC Committee. The Board reviews the recommendations of the CEO and NGC Committee and approves the base salary and/or the compensation and the performance bonus of the NEOs based

on the recommendations of the CEO. The base salary and/or compensation and the performance bonus for the CEO are reviewed annually by the NGC Committee and the Board.

#### *Base Salary and/or Compensation*

The base salary and/or compensation review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary and/or the compensation is not evaluated against a formal “peer group”. The Board relies on the general experience of its members in setting base salary and/or compensation amounts.

#### *Stock Options*

The Corporation has established a stock option plan (the “Option Plan”) pursuant to which stock options may be granted to directors, officers, employees and consultants of the Corporation as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Option Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Option Plan refer to “Securities Authorized for Issuance Under Equity Compensation Plans”.

The Board makes these determinations subject to the provisions of the existing Option Plan and, where applicable, the policies of the TSX-Venture Exchange (the “Exchange”).

#### *Group Benefits/Perquisites*

The officers of the Corporation do not benefit from any life, medical, long-term disability or other insurance. None of the officers benefit from a retirement plan.

#### *Link to Overall Compensation Objectives*

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The Corporation believes that:

- (i) base salaries provide an immediate cash incentive for the Corporation’s NEOs and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent;
- (ii) performance bonuses encourage and reward performance over the fiscal year compared to predefined goals and objectives and reflect progress toward company-wide performance objectives and personal objectives; and
- (iii) Options ensure that the NEOs are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value, and provide capital accumulation linked directly to the Corporation’s performance.

### External Compensation Consultants

During the fiscal years ended December 31, 2017 and 2018, the Corporation did not retain the services of executive compensation consultants to assist the NGC Committee or the Board in determining compensation for any of the Corporation's NEOs or directors.

### Compensation Risk Management

The Board has not proceeded to an evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. The Corporation has not adopted a policy forbidding directors or officers of the Corporation from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by directors or officers. The Corporation is not, however, aware of any directors or officers having entered into this type of transaction.

## A - COMPENSATION OF EXECUTIVE OFFICERS

### Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation during the three most recently completed fiscal years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Mark Holmes President and CEO	2018	221,250 <sup>(1)</sup>	-	170,622 <sup>(2)</sup>	-	-	-	-	357,779
	2017	78,750 <sup>(1)</sup>	-	-	-	-	-	-	105,000
	2016	105,000	-	-	-	-	-	-	105,000
Dan Crandall Former CFO <sup>(3)</sup>	2018	75,834	-	-	-	-	-	-	96,000
	2017	-	-	-	-	-	-	-	97,761
	2016	-	-	-	-	-	-	-	29,975
Monique Delorme Former CFO	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
	2016	78,750	-	-	-	-	-	-	78,750
Craig Leon <sup>(4)(5)</sup> Former CEO of Revelstoke Equity Inc.	2018	-	-	14,068 <sup>(4)</sup>	-	-	-	-	14,068
	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-

(1) 2018 salary includes \$28,250 deferred from 2017 and \$90,000 paid in shares at a price of \$0.18 upon completion of the RTO in 2018.

(2) The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: weighted average risk-free interest rate 2.51%; weighted average expected volatility: 100%; weighted average expected life: 5 years; and weighted average expected dividend yield: 0%.

(3) Dan Crandall provided services to the Corporation through Marrelli Support Services Inc. ("MSSI") and included general accounting and financial reporting.

(4) Craig Leon was appointed a director and Chief Executive Officer and Corporate Secretary of the Revelstoke Equity Inc. ("Revelstoke") on April 21, 2015 and was appointed Chief Executive Officer of Revelstoke on May 21, 2015. Mr. Leon resigned as CEO on November 9, 2018, upon completion

of the RTO (the “RTO”) between Revelstoke and the Corporation. As at the date of Mr. Leon’s resignation he had not received any salary, share-based awards, non-equity incentive plan compensation, pension value or other compensation other than Option-based awards.

- (5) In November 2018, the Company granted 214,465 stock options to Mr. Leon in conjunction with the RTO. The stock options outstanding of Revelstoke were exchanged for stock options in Zonetail Inc. on a 1:1 ratio. The fair value of the options was estimated to be \$14,068 using the Black-Scholes option pricing model with the following weighted average assumptions share price - \$0.18, dividend yield - 0%; expected volatility (based on comparative companies) - 100%; risk-free interest rate - 2.63%; and an expected life - 1 year.

### Incentive Plan Awards — Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed fiscal year to the NEOs of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Mark Holmes	180,000	0.15	February 28, 2023	-	-	-	-
	1,000,000	0.18	November 22, 2023	-	-	-	-
Craig Leon	214,465	0.18	November 20, 2019	-	-	-	-

(1) Based on closing price of the common shares of the Corporation on December 31, 2018 (\$0.05).

### Incentive Plan Awards — Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed fiscal year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Mark Holmes	-	-	-
Craig Leon	-	-	-

### Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

### Employment Agreements, Termination and Change of Control Benefits

#### *Mark Holmes*

The Corporation entered into an executive employment agreement with Mr. Holmes effective as of December 1, 2018 for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$150,000 subject to an annual review (but will not be subject to decrease, and any increase is to be approved by the Board) and benefits such as vacation,

directors' and officers' liability insurance and reimbursement of expenses including a car allowance of \$500 per month. Subject to approval and grant by the Board (or any committee thereof). Additional compensation (bonus payments and employee stock option grants) ("Additional Compensation") is awarded at the discretion of the Board. If Mr. Holmes wishes to resign, he is required to provide at least two weeks prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Holmes the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Holmes' s employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Holmes' employment without cause by paying a lump sum payment equal to one year's base salary (at the then-current salary).

Mr. Holmes' employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Holmes' employment with the Corporation being terminated, he ceases to be a director of the Corporation or there is a newly appointed management team, Mr. Holmes will be entitled to a lump sum payment equal to two year's base salary (at the then-current salary).

Mr. Holmes has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or any of its affiliates and their respective businesses and affairs gained by Mr. Holmes in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Holmes agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Holmes' employment for any reason whatsoever and remain in full force and effect in perpetuity.

## **B - DIRECTOR COMPENSATION**

### ***Director Compensation Table***

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Corporation for the most recently completed fiscal year:

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Paul Scott	-	36,100	-	-	-	-	36,100
William David Oliver	-	-	-	-	-	-	-
Reetu Gupta	-	-	-	-	-	-	-
William Morris Rogers	-	-	-	-	-	-	-
Adam Topp	-	-	-	-	-	-	-

***Incentive Plan Awards — Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed fiscal year to the directors of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Paul Scott	180,000	0.15	February 28, 2023	-	-	-	-
William David Oliver	-	-	-	-	-	-	-
Reetu Gupta	-	-	-	-	-	-	-
William Morris Rogers	-	-	-	-	-	-	-
Adam Topp	-	-	-	-	-	-	-

(1) Based on closing price of the common shares of the Corporation on December 31, 2018 (\$0.05).

***Incentive Plan Awards — Value Vested or Earned During the Most Recently Completed Fiscal Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Corporation during the most recently completed financial year:

Name	Option-based awards Value vested during the year (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Paul Scott	-	-	-
William David Oliver	-	-	-
Reetu Gupta	-	-	-
William Morris Rogers	-	-	-
Adam Topp	-	-	-

***SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS***

The following table sets out certain details as at December 31, 2018, the end of the Corporation's most recently completed fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans previously approved by security holders	5,192,930	\$0.18	1,281,483
Equity compensation plans not previously approved by security holders	-	-	-
<b>Total</b>	<b>5,192,930</b>	<b>\$0.18</b>	<b>1,281,483</b>

### ***Stock Option Plan***

The Corporation's Stock Option Plan is as described in Schedule A.

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

No person who is, or who was at any time during the fiscal year ended December 31, 2018, a director, executive officer or senior officer of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended December 31, 2018, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year ended December 31, 2018 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation's external auditors in each of the last two (2) fiscal years are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
August 31, 2018	80,139	-	-	-
August 31, 2017	28,953	-	-	-

(1) Fees of Annual Audit.

### **Other Fees**

Proxy Solicitation	\$9779
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## **ACCESS ADDITIONAL INFORMATION**

You may access our management information circular, financial statements, and management discussion and analysis, for the most recently completed year at **[www.sedar.com](http://www.sedar.com)**. You may also request copies of these documents free of charge from our transfer agent, TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

## **SCHEDULE “A” STOCK OPTION PLAN**

### **1. Purpose**

The purpose of the Stock Option Plan (the “**Plan**”) of ZONETAILE INC., a corporation incorporated under the *Business Corporations Act* (Ontario) (the “**Company**”), is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company (the “**Shares**”), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

### **2. Administration**

The Plan shall be administered by the Board of Directors of the Company or by a special committee of the directors appointed from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

### **3. Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Company are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

#### **4. Shares Subject to Plan**

Subject to adjustment as provided in s. 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Company's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

However, other than in connection with a "Qualifying Transaction" (as defined in Policy 2.4 of the Exchange) or otherwise accepted by the Exchange, during the time that the Company is a "Capital Pool Company" (as defined in Policy 2.4 of the Exchange), the aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the common shares of the Company issued and outstanding, at the closing of the Corporation's initial public offering.

#### **5. Maintenance of Sufficient Capital**

The Company shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

#### **6. Eligibility and Participation**

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries. A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. Exercise Price**

- a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Company's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Company (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## **8. Number of optioned shares**

- a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Company in any twelve-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- c) No single consultant of the Company (or any of its subsidiaries) shall be granted options if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period.
- d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities may contain vesting provisions as determined by the Board.

## **9. Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed 10 years.

## **10. Option Period, Consideration and Payment**

- a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- e) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

## **11. Ceasing To Be a Director, Officer, Consultant or Employee**

- a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within a reasonable time (such reasonable time to be established by the Board and set forth in the option agreement at the time of the option grant) after the Participant ceases to be a director, officer, consultant, employee or Management Company Employee.

- b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Company's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates.

## **12. Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

## **13. Rights of Optionee**

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

## **14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## **15. Adjustments**

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another Company or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

#### **16. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

#### **17. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

#### **18. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

#### **19. Effective Date of Plan**

The Plan has been adopted by the Board of the Company subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

#### **20. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario.

## Appendix A

Zonetail

### CHARTER OF THE AUDIT AND DISCLOSURE COMMITTEE

#### A. PURPOSE

The Audit and Disclosure Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Zonetail Inc. (the “Company”) to assist the Board in fulfilling its duties and oversight responsibilities with respect to the integrity of the Company’s financial reports, independence and performance of the external auditor, adequacy of the Company’s internal control practices, capital management and risk management, and timeliness and accuracy of material disclosures.

#### B. AUTHORITY

The Committee shall have the authority to:

- i. recommend appointment of the external auditor of the Company, set the compensation and oversee the work of such external auditor;
- ii. engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation of any independent counsel and/or advisors; and
- iii. adopt such policies and procedures, as it deems appropriate to operate effectively.

#### C. COMPOSITION AND MEETINGS

- i. The Committee shall consist of at least three directors, the majority of whom shall meet the independence requirements of National Instrument 52-110 – Audit Committees (“NI 52-110”) and all of whom shall meet the financial literacy and experience requirements of NI 52-110.
- ii. The Board will appoint a chair (the “Chair”) of the Committee, who shall be independent, and will have oversight of the Committee.
- iii. The Board shall appoint the members of the Committee and may, at any time, remove or replace the members of the Committee. The Board may fill any vacancy of the Committee by the latter of either the next annual meeting or six months from the date of the vacancy. Until such replacement is appointed, the remaining members of the Committee may exercise all of its powers and responsibilities provided a quorum is maintained.
- iv. The Committee shall meet at least quarterly, at the discretion of the Chair. A quorum of the Committee shall consist of a minimum of two and at least 50% of the members of the Committee present, either in person or by telephone or by electronic communication.
- v. The Committee shall keep minutes of its meetings, which shall be filed in the minute books of the Company. The Committee may appoint any person who need not be a member of the Committee, to act as a secretary of such meeting.
- vi. Meetings of the Committee may be called by letter, telephone, facsimile, email or other electronic communication, with at least 48 hours’ notice. Notice of a meeting shall not be required if all of the members are present either in person, by means of teleconference facilities or other electronic communication or if those absent

have waived notice or otherwise signified their consent to the holding of such meeting, which shall constitute a valid meeting for the purpose of conducting business, provided a quorum exists.

vii. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.

viii. The Committee may request any officer or employee of the Company, its external legal counsel or its external auditor attend a meeting of the Committee or meeting with any member(s) of the Committee.

#### D. DUTIES AND RESPONSIBILITIES

The Committee shall ensure compliance with all applicable legal, regulatory and listing requirements, including, without limitation, the Ontario Securities Commission (“OSC”), the TSX Venture Exchange (“TSX-V”), the Business Corporations Act (Ontario) and all applicable securities regulatory authorities and shall:

- i. review and recommend approval by the Board of the Company’s annual audited financial statements and unaudited quarterly financial statements and related Management’s Discussion and Analysis (“MD&A”) and public release thereof by Management in accordance with NI 52-110;
- ii. review and assess the adequacy and effectiveness of the Company’s internal control processes and procedures, accounting principles and practices followed by Management, of the financial statements and other publicly reported financial information and report to the Board on deficiencies, significant deficiencies and material weaknesses including Management’s response to such deficiencies and weaknesses;
- iii. review established timelines for the preparation of disclosure documents, which timelines shall include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate Company personnel, the Company’s independent auditors, and the Committee;
- iv. appoint an external auditor and oversee the work of the external auditor and shall:
  - a. in accordance with International Financial Reporting Standards (“IFRS”) and applicable securities laws, take all reasonable steps to ensure the objectivity and independence of the external auditor including receipt of a formal written statement from the external auditor confirming its independence and delineating all relationships between the external auditor and the Company,
  - b. pre-approve any non-audit services of the external auditor, including adherence to the Policy and Procedure for Engagement of Non-Audit Services as set forth in Schedule “B” attached hereto,
  - c. approve the lead audit partner for the Company’s external auditor and ensuring that such lead partner is rotated and has not performed audit services for the Company for more than five (5) previous fiscal years,
  - d. communicate directly with the external auditor and meeting with the external auditor and Management in separate sessions,
  - e. report to the Board after consultation with Management that the external auditor is in compliance with all relevant laws, regulations and company policies,

- f. review the major accounting estimates, assumptions or adjustments made by the external auditors including any accounting adjustments requested by the external auditors but rejected by Management,
  - g. resolve disagreements between Management and the external auditor regarding financial reporting,
  - h. consult with the external auditor on the audit scope and plan of the external auditor including receipt of written confirmation annually as to the external auditor's processes, quality control and disclosure of any investigations, government inquiries or reviews of the external auditor, and
  - i. periodically report to the Board on the performance of the external auditor;
- v. review and recommend approval by the Board the annual operating budget for the Company and its subsidiaries, on a consolidated basis, including funding, liquidity, balance sheet management and dividends and monitor the Company's performance against such budget;
- vi. review and recommend approval by the Board any financing proposals the Committee deems appropriate;
- vii. periodically review risk management systems and processes including assessing such risks when planning new strategies, activities and products and review with Management and the external auditor any significant financial risks or exposures and the steps Management has taken to minimize such risks;
- viii. provide oversight of the transparency, disclosure and controls of the Company including, without limitation, compliance with National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”), NI 52-110, National Policy 51-201 – Disclosure Standards (“NP 51-201”), all applicable laws including the Business Corporations Act (Ontario), and all applicable securities regulatory authorities including the OSC and TSX-V. The Committee will have unrestricted access to the books and records of the Company;
- ix. review and discuss with Management prior to public disclosure, annual reports, quarterly reports, MD&A, earnings press release and any other material disclosure documents containing or incorporating by reference audited or unaudited financial statement of the Company in accordance with NI 51-102;
- x. provide fair disclosure and equal treatment of all Shareholders including disclosure of all major transactions and material events on the Company's website and/or [www.sedar.com](http://www.sedar.com) and ensure Shareholders are sent notices annually that they can request paper copies of financial disclosure materials;
- xi. evaluate the necessity of making public disclosures including making determinations about whether a “material change” has occurred, a selective disclosure or misrepresentation has been or might be made;
- xii. ensure timely disclosure of “Material Information” including "material facts" and/or "material changes" in accordance with NP 51-201. All news releases announcing material information must be approved by at least one member of the Committee in accordance with the Company's Timely Disclosure and Insider Trading Policy;
- xiii. develop and review annually Company policies including:
- i) Whistleblower Policy in regards to the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and
  - ii) Timely Disclosure and Insider Trading Policy;
- xiv. execute any such instruments, agreements, elections and documents on behalf of the Company as may be necessary or appropriate to give effect to decisions made by the Committee pursuant to this Charter; and

xv. together with the Nominating and Governance Committee review this Charter annually and recommend any changes thereto for approval by the Board.

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

This Charter was reviewed and adopted by the Board on January 9, 2019.

## **Appendix B**

Zonetail Inc.

## **CHARTER OF THE NOMINATING, GOVERNANCE AND COMPENSATION COMMITTEE**

### **A. PURPOSE**

The Nominating, Governance and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Zonetail Inc. (the “Company”) to assist the Board in fulfilling its duties and responsibilities by:

- a) managing the nomination and succession planning processes,
- b) developing and managing the Company’s compensation philosophy,
- c) reviewing and making recommendations to the Board on the CEO and non-CEO officer and director compensation levels, and
- d) leading the Company in corporate governance initiatives

### **B. AUTHORITY OF THE COMMITTEE**

The Committee shall have the authority to:

1. Engage independent counsel and or other advisors as it determines necessary to carry out its duties;
2. Set the compensation for advisors employed by the Committee to be paid by the Company; and
3. Adopt such policies and procedures, as it deems appropriate to operate effectively.

### **C. COMPOSITION AND MEETINGS**

1. The Committee shall consist of at least four directors, the majority of whom shall be “independent” as defined in National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”). The inclusion of a related director or member of management will be for the sole purpose of enhancing the effectiveness of the Committee’s mix of skills, experience and expertise. The Committee may convene meetings without the presence of any related director or non-independent member, at the pleasure of the independent members of the Committee, and whom will be excused from attending meetings or voting on matters related to compensation.
2. The Board, at its annual organizational meeting, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace the members of the Committee and may fill any vacancy of the Committee. Should a vacancy exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
3. Unless the Board shall have appointed a chair (“Chair”) of the Committee, the members of the Committee shall elect a Chair from among their number.
4. The Committee shall meet at least twice a year, at the discretion of the Chair or a majority of its members, as circumstances dictate. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone or by electronic communication, shall constitute a quorum.
5. The Committee shall keep minutes of its meetings. The Committee may, from time to time, appoint any person who need not be a member of the Committee, to act as a secretary of such meeting.

6. The Chair will be responsible for calling meetings and will ensure that minutes of meeting are taken and, where necessary, reports are made to the Board.

7. A meeting of the Committee may be called by letter, telephone, facsimile, email or other electronic communication, by giving at least 48 hours' notice, and that no notice of a meeting shall be necessary. If all of the members are present either in person or by means of teleconference facilities or other electronic communication or if those absent have waived notice or otherwise signified their consent to the holding of such meeting, which shall constitute a valid meeting for the purpose of conducting business, provided a quorum exists.

8. Any member of the Committee may participate in the meeting of the Committee by means of teleconference facilities or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

9. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

#### D. DUTIES AND RESPONSIBILITIES

The Committee's duties and responsibilities include:

1. Provide advice to the Board in determining the appropriate size of the board with a view to facilitating effective decision-making.

2. Identify qualified individuals to serve as members of the Board and Committees of the Board and, where appropriate, recommend individuals to be nominated for election by shareholders or to be appointed by the Board to serve as Directors for the next annual meeting of shareholders and will consider the skills and competencies:

i) the board considers to be necessary for the Board and its Committees, as a whole, to possess;

ii) the Board considers each existing director to possess; and

iii) each new nominee will bring the boardroom and whether each new nominee can devote sufficient time and resources to his or her duties as a board member.

3. Assess the effectiveness and contribution of the Board, its committees and individual directors on an annual basis to ensure that the Board has the necessary blend of skills, experience, independence, and diversity to undertake its duties. The focus of performance and effectiveness assessments will be on creating shareholder value and how each director contributes to the development of corporate strategy.

4. Manage the process by which the board takes to orient new directors regarding the role of the board, its committees and directors; and nature and operation of the Company including continuing education, to ensure that the Company's directors maintain the skill and knowledge necessary to meet their obligations as directors; appropriate funding is allocated to directors to attend seminars or conferences relevant to their positions as directors of the Company.

5. Review and report annually to the Board on the relationship of each director and the Company to determine if each director is or remains "independent" as defined by NI 58-101, and to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including endeavouring to have a majority of directors who are "independent". Such independent directors shall hold in camera sessions without the presence of management or any non-independent directors at each meeting of the Board.

6. Annually review and assess the adequacy of the Board Mandate and Committee charters with a view to Board effectiveness and submit any proposed revisions to the Board for approval.

7. Monitor compliance with the Company's Code of Business Conduct & Ethics and in conjunction with management, to ensure acknowledgements of receipt of adherence thereto are executed by all employees, officers, directors and consultants of the Company.
8. Annually review the Majority Voting Policy and make recommendations to the Board for approval.
9. Ensure that all directors receive updates to Company policy documents and the listing policies of the applicable exchanges including periodic review the Company articles and recommend changes to the Board, as appropriate.
10. Periodically review and assess the adequacy of the Company's Corporate Governance Practices ensuring the appropriate levels of corporate governance are in place and recommend any modifications to the Board to maintain and improve and Company's governance procedures and policies. Together with the Board, report annually to the Company's shareholders via the Management's Proxy Circular on the Company's system of Governance.
11. Develop and manage the Company's compensation philosophy and make recommendations to the Board in consultation with the President and CEO with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans and reviewing executive compensation disclosure prior to the Company publicly disclosing this information.
12. Review and approve corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in accordance with those goals and objectives and recommend to the Board the CEO's compensation level based on this evaluation.
13. Manage the nomination process and succession planning process for the Company on behalf of the Board, and participate in selection, appointment, development, and evaluation of the Chairman, the President and other senior executives; including considering skills, backgrounds, knowledge, experience and diversity of geographic location.

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

This charter was reviewed and adopted by the Board on January 9, 2019

## Appendix C

Zonetail Inc.

### MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) has the oversight responsibility for establishing and maintaining a culture of integrity and transparency in the conduct of the business affairs of Zonetail Inc. (the “Company”). The Board’s fundamental objectives are to enhance and preserve long term shareholder value and provide stewardship of the Company’s policies and principals in the operation of its business affairs including monitoring and assessing the overall progress of the Company’s goals and objectives in relation to achievement of the corporate strategy. In overseeing the conduct of the business, the Board, through the President and Chief Executive Officer (“CEO”), shall set the standards of conduct for the Company.

#### Structure of the Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company in accordance with the Canadian Business Corporations Act, the Company’s Articles and By-laws, Code of Business Conduct & Ethics and all other applicable laws and Company policies. In discharging its duties, the Board shall:

- a) consist of at least three directors two of whom will be ‘Independent’ as prescribed by National Instrument 58-101 – Disclosure of Corporate Governance Procedures. The inclusion of any Related Director, a director who has, or may have an interest or relationship with the Company that could interfere, or be seen to interfere, with such director’s ability to act in the best interests of the Company, will be for the sole purpose of enhancing the Board’s strategic and competitive industry insight in order to achieve the its corporate goals and objectives. The Board may convene meetings without the presence of any Related Director or non-independent director, at the pleasure of the independent members of the Board, and each of whom will be excused from attending meetings or voting on matters related to any such conflict of interest or potential conflict of interest. The Board will be comprised of individuals whose fiduciary responsibility is to the Company acting in good faith and at all times making business decisions with the utmost care and reasonably prudent manner;
- b) select a Chairman of the Board who shall ensure all required business is brought before the Board to enable it to carry out all of its duties to manage or supervise the management of the business and affairs of the Company and ensure all directors understand and discharge their corporate governance obligations. The roles and responsibilities of the Chairman are more particularly set out in the attached Appendix “A”.
- c) at least quarterly, hold meetings of the Board where members may participate in person, by teleconference facilities or other communication equipment. A quorum for the transaction of business of the Board shall be a majority of the number of Directors then in office;
- d) at least once per year, hold in Camera sessions of the Board at which non-independent or related directors and members of Management are not in attendance;
- e) appoint a meeting secretary who need not be a member of the Board, to take minutes of the meetings, which will be reviewed and approved at the next succeeding meeting;
- f) ensure meeting materials are provided to all Board members at least 48 hours in advance of meetings; and
- g) invite such officers, consultants and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Board.

#### Duties and Responsibilities

- h) adopting a strategic planning process and approving, on an annual basis, the Company's strategic plan of the Company which includes the opportunities and risks of the Company;
- i) identify and monitor the principal risks of the Company and ensure the implementation of a risk management system in connection with principal business risks of the Company including insurance coverages, conduct of material litigation and the effectiveness of internal controls;
- j) approve the Company's annual audited and quarterly financial statements and related management's discussion and analysis and ensure the accurate and timely disclosure of same to shareholders;
- k) approve all material transactions involving the Company including the payment of distributions, acquisitions and dispositions of material assets and material expenditures by the Company;
- l) oversee the Company's policies regarding disclosure and public communications, investor relations and shareholder communications and monitoring compliance with all significant policies and procedures;
- m) review the performance of the CEO with reference to the Company's policies, stated budget and other objectives including satisfying itself as to the integrity of the CEO and other executive officers;
- n) oversee succession planning for the Board and senior management; and
- o) assist in the development of corporate governance practices and principals of the Company.

The Board discharges its responsibilities by delegating certain authorities to Management and through constitution of committees of the Board and reserving certain powers to itself. The Board shall appoint the members of each of its committees for the ensuing year at its annual organizational meeting and may at any time remove or replace the members of any committee and may fill any vacancy of such committees. The Board shall appoint a chair of each committee. Each committee will be comprised of individuals best suited to fulfill the role of that committee.

The permanent committees of the Board include the Audit and Disclosure Committee and Governance, Nominating and Compensation Committee.

#### I. Audit and Disclosure Committee

The Audit and Disclosure Committee is appointed by the Board to assist the Board in fulfilling its duties and responsibilities which are set out more particularly in the Audit and Disclosure Committee Charter and include:

- a) integrity of the annual and quarterly financial statements and related management's discussion and analysis and effectiveness and maintenance of the Company's accounting and financial reporting processes, internal systems and controls including reviewing and recommending approval of financial reports, annual budgets, balance sheets, management and funding strategy; commitments of capital and non-capital items, acquisitions and divestments; and the dividend policy and determining dividends; and recommend to the Board any financing proposals the Committee deems appropriate;
- b) develop and implement a system for identifying and managing the principal risks of the Company and report to the Board thereon;
- c) compliance with disclosure obligations and legal and regulatory requirements of the securities commissions and stock exchanges on which the Company's securities are listed;
- d) develop and review annually a Timely Disclosure and Insider Trading Policy in accordance with the Company's major communications to shareholders to ensure accurate and timely disclosure of all material information;

e) develop and review annually a Whistleblower Policy in accordance with National Instrument 52-110 – Audit Committees (“NI 52-110”); and

f) appointment, remuneration, qualifications, independence and performance of the external auditors including pre-approval of all non-audit work performed by the external auditor.

## II. Governance, Nominating and Compensation Committee

The Governance, Nominating and Compensation Committee is appointed by the Board to assist the Board in fulfilling its duties and responsibilities which are set out more

particularly in the Governance, Nominating and Compensation Committee Charter and include:

a) taking a leadership role in shaping the corporate governance of the Company and ensure the Company is complying with the laws, regulations, its mandate and charters and policies including the Code of Business Conduct & Ethics and Majority Voting Policy;

b) monitor Board composition, performance and compliance with regulatory requirements including reviewing the independence status of directors annually and establishing and assessing measurable diversity objectives;

c) conduct director induction, ongoing leadership development training, and Board self-evaluations and provide feedback to the Board to ensure its effectiveness;

d) manage the nomination process and succession planning process for the Company including appoint the CEO of the Company and shall determine the terms of such appointment; approve the appointment of executives reporting to the CEO and membership of the Executive Team, and approve material changes to the organisational structure involving direct reports to the CEO; develop a succession plan for the Chairman and CEO and for direct reports to the CEO;

e) identify qualified individuals to serve as members of the Board and Committees of the Board to ensure the Board has members with complimentary and diverse skills, backgrounds and experience and, where appropriate, recommend individuals to be nominated for election by shareholders or to be appointed by the Board to serve as directors for the next annual meeting of shareholders;

f) develop and review annually, together with the CEO, a position description for the CEO to include the roles and responsibilities of the CEO and set corporate goals and objectives. The roles and responsibilities of the CEO are attached as Appendix “B” hereto; and

g) develop and manage the Company’s compensation philosophy; reviewing and making recommendations to the Board on the CEO and non-CEO officer and director compensation levels and incentive-compensation plans and equity-based plans for eligible employees and consultants of the Company.

The Board is committed to transparency and integrity in all its business decisions and acting in accordance with the Statement of Corporate Governance Practices and the Code of Business Conduct & Ethics as an ethical standard.

This mandate was reviewed and adopted by the Board on January 9, 2019.

*Appendix “A” (of Board Mandate) Role and Responsibilities of the Chairman of the Board*

*The Chairman of the Board of Directors of Zonetail (the “Chairman”) will provide leadership to the directors in discharging their duties effectively and independently of management as set out in this Mandate. In leading the Board, the Chairman shall:*

- 1. be nominated by the Board of its current composition and must possess the experience and expertise to materially strengthen the skills and experience of the Board;*
- 2. exemplify unquestioned honesty, integrity, and resolve for the Company and the best interests of its shareholders;*
- 3. encourage a Board culture of openness and debate; create a unified Board and encourage sharing of each director’s unique knowledge, experience, and perspective on the Company’s business;*
- 4. set the agenda for each meeting of the Board, in consultation with the CEO, and will ensure all required business is brought before the Board, such that, the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Company. Any director may request that an item be added to the agenda;*
- 5. assess the integrity of the directors and senior officers of the Company and encourage a culture of integrity throughout the Company;*
- 6. represent the directors in discussions with Management and ensure open lines of communication are maintained, and effective systems are in place for the provision of accurate, timely and clear information and reports on business;*
- 7. together with the President and CEO, ensure that the Board, the Committees of the Board, individual directors and senior officers, understand and discharge their corporate governance obligations;*
- 8. understand the risks of the Company including potential health, safety, environment, community, reputational, regulatory, market and economic risks ensuring adequate review and mitigation of such risks; and*
- 9. focus on ensuring strategic issues and ensure shareholder views are clearly understood and regularly reviewed.*

*Appendix “B” (of Board Mandate) Role and Responsibilities of the Chief Executive Officer*

*The Chief Executive Officer of Zonetail (the “CEO”) will provide leadership to the Company in its strategic management and the overall direction of the Company, the CEO shall:*

- 1. be appointed by the Board of Directors who shall determine the terms of such appointment.*
- 2. lead by example and portray honesty and integrity; moral character; commitment to the highest standards of governance; and steadfast towards the best interests of the Company and its shareholders.*
- 3. be responsible for the performance of the Company including implementation of the Company’s short and long-term plans in accordance with its goals, objectives and strategy.*
- 4. ensure the Company’s business goals and objectives are achieved in a socially and environmentally responsible manner which will guide the decisions and actions of the CEO.*
- 5. supervise the day-to-day management of the Company’s business and the Company’s affairs.*
- 6. work collaboratively with the Board in the development of the Company’s strategy and oversee its implementation and progression.*
- 7. report to the Board, at each Board meeting, with openness and integrity, on the status and progress of the Company towards achieving its business goals and objectives.*
- 8. consult with the Chairman of the Board to set the agenda for each meeting and report to the Board on material developments and events, and the business and financial performance of the Company including the potential impact on the Company’s business goals and objectives.*
- 9. supply, or ensure the Board and its Committees is supplied with accurate and relevant information, in a form that is appropriate, to enable the Board and Committees to make assessments and decisions in relation to Company performance and business strategy.*
- 10. communicate on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.*
- 11. encourage a Company culture of honesty, integrity and respect and the highest standard of business conduct; encourage open communication with all officers, employees and consultants; and monitor compliance with the Company’s Code of Business Conduct & Ethics.*
- 12. provide equal opportunity for the professional development and advancement of all employees of the Company; support innovation and continued learning opportunities including personal development.*
- 13. consider the financial condition of the Company and achievement of the business goals and objectives in connection with all capital and operating expenditures, or financing proposals or decisions including setting the Company’s annual budget for review and approval by the Board.*
- 14. ensure that a system of internal financial control is maintained for the protection of the Company’s assets and the application of the Company’s resources.*
- 15. assess the impact of any change to the allocation of Company resources on the business goals, objectives and strategy.*

*16. ensure appropriate systems are in place to monitor the performance of corporate governance initiatives and community engagement; including any feedback and/or complaints.*

*17. assess the impact on the reputation and credibility of the Company and achievement of the business goals and objectives in connection with any decisions to be made or actions to be taken.*

*18. ensure there is system in place for identification, management and control of the material risks of the Company and its operations.*

*19. ensure appropriate policies, systems, and procedures are in place to provide timely and accurate information concerning the activities and results of the Company to all shareholders.*