



## QUORUM INFORMATION TECHNOLOGIES INC.

### Notice of Annual Meeting of Shareholders

**TO: THE SHAREHOLDERS OF QUORUM INFORMATION TECHNOLOGIES INC.**

TAKE NOTICE that the Annual Meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Quorum Information Technologies Inc. (the "**Corporation**") will be held at the Carriage House Inn, Yorkshire 1 Room, 9030 Macleod Trail South, Calgary, Alberta, on Friday, July 27, 2018 at 10:00 a.m. (Calgary time) for the following purposes:

- (1) to receive and consider the annual audited comparative financial statements of the Corporation for the year ended December 31, 2017, together with the auditors' report thereon, and the interim unaudited comparative financial statements of the Corporation for the three month periods ended March 31, 2018;
- (2) to fix the number of directors to be elected at the Meeting at seven;
- (3) to elect directors of the Corporation for the ensuing year;
- (4) to appoint Calvista LLP, Professional Accountants, as auditors of the Corporation and to authorize the directors of the Corporation to fix their remuneration as such;
- (5) to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying information circular – proxy statement (the "**Information Circular**"), reapproving the Corporation's stock option plan; and
- (6) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular which accompanies and forms part of this Notice.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on June 22, 2018 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their common shares ("**Common Shares**") of the Corporation included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers their Common Shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

**If you are a registered Shareholder and are unable to attend the Meeting or any adjournment thereof in person, please complete, sign and mail the enclosed form of proxy to, or deposit it with, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their**

**voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America), or 1-312-588-4290 (outside North America).** Non-registered or beneficial Shareholders who do not hold Common Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Common Shares voted at the Meeting on their behalf. See "Advice to Beneficial Shareholders" in the accompanying Information Circular.

DATED at Calgary, Alberta, this 22<sup>nd</sup> day of June, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'M. Podovilnikoff', with a long horizontal line extending to the right.

*Michael Podovilnikoff, Chairman*



## QUORUM INFORMATION TECHNOLOGIES INC.

Information Circular - Proxy Statement  
dated June 22, 2018  
for the Annual Meeting  
of Shareholders to be held on July 27, 2018

### GENERAL

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Quorum Information Technologies Inc. ("Quorum" or the "Corporation") for use at the annual meeting (the "Meeting") of holders ("Shareholders") of common shares ("Common Shares") of Quorum to be held on July 27, 2018, and any adjournments thereof. No person has been authorized to give any information or make any representations in connection with the matters to be considered at the Meeting other than those contained in this Information Circular and if given or made, any such information or representation must not be relied upon as having been authorized.**

Information contained in this Information Circular is given as of June 22, 2018, unless otherwise specifically stated.

### SOLICITATION OF PROXIES

**This Information Circular is provided in connection with the solicitation of proxies by the management of Quorum for use at the Meeting for the purposes set forth in the accompanying Notice of Annual Meeting.** Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees and/or agents of Quorum, including by proxy solicitation agents that may be specifically retained for such purpose. All costs of the solicitation for the Meeting will be borne by Quorum, and Quorum will reimburse Broadridge (as such term is defined below) and intermediaries for the reasonable fees and costs incurred by them in mailing soliciting materials to Beneficial Shareholders (as such term is defined below). Also see "Advice to Beneficial Shareholders".

### APPOINTMENT OF PROXIES

Accompanying this Information Circular is a form of proxy (the "**Instrument of Proxy**") or voting instruction form ("**VIF**") for use by Shareholders. The persons named in the enclosed Instrument of Proxy are directors and/or officers of Quorum. **A registered Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the Instrument of Proxy may do so by inserting such person's name in the blank space provided in the accompanying Instrument of Proxy and submitting the Instrument of Proxy in accordance with the instructions set forth therein.**

### VOTING OF PROXIES FOR NON-REGISTERED SHAREHOLDERS

**Only proxies deposited by registered Shareholders whose names appear on the records of Quorum as the registered holder of Common Shares can be recognized and acted upon at the Meeting. If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the**



**VIF provided to you by your broker or other intermediary in accordance with the instructions provided with it. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting. See "Advice to Beneficial Shareholders" below.**

## **REVOCAION OF PROXIES**

In addition to revocation in any other manner permitted by law, a registered Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either at the registered office of Quorum at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. Please note that if a registered Shareholder appoints a proxy holder and submits their voting instructions via the internet and subsequently wishes to change their appointment, such Shareholder may resubmit their proxy and/or voting direction via the internet prior to the deadline noted above. When resubmitting a proxy via the internet, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

Only the registered holder of Common Shares has the right to revoke a proxy in the manner described above. If you are a Beneficial Shareholder and wish to change your vote, you must arrange for your broker or other intermediary in whose name your Common Shares are registered to revoke the voting instructions given on your behalf in accordance with the instructions provided by such broker or other intermediary. It should be noted that the revocation of voting instructions by a Beneficial Shareholder can take several days or even longer to complete and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the VIF accompanying this Information Circular. See "Advice to Beneficial Shareholders" for additional information on the voting procedures applicable to Beneficial Shareholders.

## **PROXY VOTING**

The Common Shares represented by the accompanying Instrument of Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and 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 such direction, the persons set forth in the accompanying Instrument of Proxy intend to vote the Common Shares represented thereby FOR each of the matters set forth in the accompanying Notice of Annual Meeting.**

## **EXERCISE OF DISCRETION OF PROXY**

**The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual Meeting and this Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Information Circular, management of Quorum does not know of any amendments, variations or other matters to come before the Meeting.**

## ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of them do not hold their Common Shares in their own names. Shareholders who do not hold Common Shares in their own names ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Quorum as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of Quorum. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. The directors and officers of Quorum do not know for whose benefit the Common Shares registered in the name of CDS & Co. or of other brokers/agents are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The VIF supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Instrument of Proxy provided to registered Shareholders by Quorum; however, its purpose is limited to instructing the registered Shareholder (the broker or the agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form instead of the form of Instrument of Proxy. The Beneficial Shareholder is asked to complete the voting instruction form and return it to Broadridge in accordance with the instructions set forth therein. Alternatively, the Beneficial Shareholder may call a toll-free number to vote the shares held by the Beneficial Shareholder or vote online. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

**A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting as the VIF must be returned as directed therein well in advance of the Meeting in order to have the Beneficial Shareholder's Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed VIFs as directed well in advance of the Meeting.**

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



Quorum will not send proxy-related materials directly to non-objecting or objecting Beneficial Shareholders - such materials will be delivered to Beneficial Shareholders by Broadridge or through the Beneficial Shareholder's intermediary. Quorum will pay the reasonable fees and costs of Broadridge or a Beneficial Shareholder's intermediary to deliver the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to objecting Beneficial Shareholders.

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

### **Financial Statements**

At the Meeting, Shareholders will receive the annual audited comparative financial statements of the Corporation for the year ended December 31, 2017, together with the auditors' report thereon, and the interim unaudited comparative financial statements of the Corporation for the three and six month periods ended June 30, 2018.

### **Election of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at seven and to elect seven directors to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. There are currently seven directors of the Corporation, each of whose term of office shall expire at the termination of the Meeting unless such director is re-elected.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at seven and in favour of the election as directors of the seven nominees hereinafter set forth:

Maury Marks  
Craig Nieboer  
John Carmichael  
Michael Podovilnikoff  
Scot Eisenfelder  
Joe Campbell  
Jon Hook

The names and jurisdictions of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each, the date each was originally elected or appointed a director of Quorum, and the principal occupation of each are set forth below. The information as to shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of the date hereof.

Name and Jurisdiction of Residence	Principal Occupation	Director Since	Number of Common Shares Owned or Controlled, Directly or Indirectly
Maury Marks Alberta, Canada	President and Chief Executive Officer of the Corporation.	July, 2001	2,351,667 Common Shares <sup>(1)</sup>
Craig Nieboer <sup>(2)</sup> Alberta, Canada	Chief Financial Officer of CES Energy Solutions Corp. (a chemical provider to the oil and gas industry).	June, 2009	222,500 Common Shares
John Carmichael <sup>(3)</sup> Ontario, Canada	Chief Executive Officer of the Ontario Motor Vehicle Industry Council (regulator for the Auto industry in Ontario).	November, 2003	313,550 Common Shares
Michael Podovilnikoff <sup>(2) (3) (4)</sup> Alberta, Canada	Business consultant.	June, 2009	1,320,700 Common Shares
Scot Eisenfelder <sup>(2)(3)</sup> Florida, US	Chief Executive Officer of Affinitiv (an automotive technology company).	June, 2009	585,000 Common Shares
Joe Campbell Florida, US	President and Chief Executive Officer of Tricor Automotive Group Inc. (an automotive company).	December, 2015	236,870 Common Shares <sup>(5)</sup>
Jon Hook New Jersey, US	Senior Analyst of Voss Capital, LLC	December, 2016	41,100 Common Shares <sup>(6)</sup>

Notes:

- (1) 870,836 Common Shares are held by 939895 Alberta Ltd., a private holding company wholly-owned by Mr. Marks and his spouse.
- (2) Member of Audit Committee. Mr. Nieboer is the Chairman of the Audit Committee
- (3) Member of the Compensation and Corporate Governance Committee. Mr. Podovilnikoff is the Chairman of the Compensation and Corporate Governance Committee.
- (4) Mr. Podovilnikoff is Chairman of the Board of Directors.
- (5) Does not include 5,000,000 Common Shares held by Tricor Automotive Group Inc.
- (6) Does not include 9,353,900 Common Shares held by Voss Capital LLC.

## **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of Quorum, no proposed director of Quorum is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Quorum), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Quorum, no proposed director of Quorum: (a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including Quorum) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of Quorum, no proposed director of Quorum has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

## **Appointment of Auditors**

Unless otherwise directed, it is management's intention to vote proxies in favour of an ordinary resolution to appoint the firm of Calvista LLP, Professional Accountants, to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration as such. Calvista LLP, Professional Accountants, was first appointed auditors of the Corporation in 2008 under the name of Maldaner Crooks Watson, Chartered Accountants. The name of the firm was changed to DNTW Chartered Accountants, LLP in 2009 and in 2014, DNTW Chartered Accountants, LLP merged with Thompson Penner & Lo, LLP to form Calvista LLP, Professional Accountants.

## **Reapproval of Stock Option Plan**

Under the rules and policies of the TSX Venture Exchange (the "**TSXV**"), the Corporation is required to have a stock option plan. Accordingly, notwithstanding the Board of Directors' (the "**Board**") intention to no longer grant stock options ("**Options**") under the Corporation's stock option plan (the "**Stock Option Plan**") and to instead grant Incentive Awards under its Incentive Award Plan, at the Meeting, Shareholders will be asked to approve the following ordinary resolution:



"BE IT RESOLVED, as an ordinary resolution of the shareholders of Quorum Information Technologies Inc. ("Quorum") that:

1. the Stock Option Plan of Quorum, which provides for the grant of options to acquire, in the aggregate, up to 10% of the number of common shares of Quorum issued and outstanding from time to time, be and the same is hereby authorized and reapproved; and
2. any one director or officer of Quorum is authorized and directed, on behalf of Quorum, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of Quorum or otherwise) that may be necessary or desirable to give effect to this resolution."

Unless otherwise directed, the persons named in the form of proxy accompanying this Information Circular intend to vote FOR the approval of the foregoing resolution. A description of the Stock Option Plan follows.

The Stock Option Plan permits the granting of Options to purchase Common Shares to directors, officers, employees of, and consultants to, the Corporation. The Stock Option Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding at any time to 10% of the number of issued and outstanding Common Shares from time to time. As of June 22 2018, there are no longer any Options outstanding under the Stock Option Plan as they have all expired.

Options granted pursuant to the Stock Option Plan have a term as determined by the Board at the time of grant, provided that no Option shall have a term greater than five (5) years. The exercise price of Options granted pursuant to the Stock Option Plan is determined by the Board at the time of grant and may not be less than the closing price of the Common Shares on the TSXV on the last trading day immediately prior to the date of grant. Vesting is determined by the Board subject to the provision that no more than one-third of the Options granted to any one individual shall vest in any 12-month period.

The number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to any one optionee shall not exceed five percent (5%) of the outstanding Common Shares (two percent (2%) in the case of consultants or employees conducting investor relations activities). In addition, the number of Common Shares issuable to insiders at any time may not exceed ten percent (10%) of the issued and outstanding Common Shares.

If an optionee ceases to be a director, officer or employee of, or consultant to, the Corporation or a subsidiary (other than by reason of death) the optionee has a period not in excess of 90 days (30 days in the case of optionees engaged in investor relations activities) following the date the optionee ceased to be a director, officer, employee or consultant to exercise Options held to the extent that the optionee was entitled to exercise the Options as the date of such cessation. In the event of death of the optionee, the Options shall terminate on the earlier of (i) one year following the date of death; and (ii) the expiry date of the Options. Subject to requisite regulatory and shareholder approval, the Board may amend or discontinue the Stock Option Plan at any time, provided that no such amendment may, without the consent of the optionee, alter or impair any Option previously granted. Pursuant to the current requirements of the TSXV, Shareholder



approval will be required for certain matters including increasing the number of Common Shares issuable pursuant to the Stock Option Plan. Disinterested shareholder approval is currently required for a reduction in the exercise price of Options or an extension of the term of Options held by insiders.

## INFORMATION CONCERNING THE CORPORATION

### Voting Shares and Principal Holders Thereof

As at June 22, 2018, there were 52,768,694 Common Shares issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) persons present at the Meeting holding or representing by proxy not less than five percent (5%) of the outstanding Common Shares.

To the knowledge of the directors and executive officers of the Corporation, as at June 22, 2018, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation other than as set forth below:

<u>Name and Address</u>	<u>Number of Voting Shares</u>	<u>Percentage of Class (%)</u>
Voss Capital LLC Houston, Texas	9,352,900	18.0%

## STATEMENT OF EXECUTIVE COMPENSATION

This Statement of Executive Compensation describes the compensation paid, made payable, awarded, granted, gave or otherwise provided during the financial year ended December 31, 2017 to the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of Quorum Information Technologies Inc. ("**Quorum**" or the "**Corporation**"), or any person that acted in such capacity during the most recently completed financial year, and any other executive officer of Quorum whose total compensation for the financial year ended December 31, 2017 exceeded \$150,000 (collectively, the "**NEOs**" or "**Named Executive Officers**"), as well as each person that acted as a director of Quorum at any time during the last completed financial year.

### Compensation Discussion & Analysis

The Board of Directors of the Corporation has established a Compensation and Corporate Governance Committee that is responsible for making recommendations to the Board with respect to the compensation of the Corporation's executive officers (including the Named Executive Officers) and establishing the compensation policies and practices of the Corporation. The compensation paid to executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. Compensation levels are designed to ensure that the compensation of executive officers provides a competitive base compensation while also creating a strong link between corporate performance and compensation. Executive officers are motivated through the Corporation's compensation methods to improve corporate performance and enhance long-term shareholder value. Executive compensation has historically consisted of three components: (i) base compensation, (ii) incentive bonuses, and (iii) grants of incentive awards or RSUs ("**Incentive Awards**") under the



Corporation's incentive award plan (the "**Incentive Award Plan**"). Quorum also has a stock option plan, but no options have been granted under the plan to any of the NEOs or directors of the Corporation since 2010.

The Compensation and Corporate Governance Committee is comprised of Messrs. Carmichael, Podovilnikoff and Eisenfelder, each of whom are independent. Mr. Carmichael was the President of his own independent business and both Mr. Podovilnikoff and Eisenfelder served as executive officers in much larger corporations and as such all three have experience in decision-making related to compensation policies and practices.

Given the size of the Corporation and the stage of development of its business, neither the Board nor the Compensation and Corporate Governance Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices, although neither the Compensation and Corporate Governance Committee nor the Board considers such risks to be material. Although the Corporation does not have a formal policy, directors and officers are discouraged from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the common shares of the Corporation ("**Common Shares**") held, directly or indirectly, by the director or officer.

### **Base Salary and Bonuses**

The base salaries and bonuses for the NEOs are determined by the Compensation and Corporate Governance Committee on the basis of position held, related responsibilities, functions performed and achievement of certain prescribed goals. The Board of Directors reviews and approves a strategic plan each year with measurable, defined goals. The senior management team of the Corporation, which includes the NEO's, are each responsible for specific goals. One of the key measurable, defined goals in 2017 was for the Company to achieve double digit revenue growth over the same quarter of the previous year each quarter. The Compensation and Corporate Governance Committee considers the Corporation's performance when determining any adjustments to salaries or bonuses for all Named Executive Officers.

### **Cash Bonus Incentive Plan**

The purpose of the Corporation's cash bonus incentive plan is to develop a stronger focus on revenue and working capital growth. The incentive plan was implemented during 2016 and entitles the Named Executive Officers to compensation that is based on a percentage of positive revenue and working capital growth generated during each reporting period. The Incentive plan pays \$1,750 per 1% of positive revenue growth (the basis for determining revenue growth is the percentage increase of revenue growth as compared to the same calendar quarter of the prior year.) and \$700 per 1% of positive working capital growth (the basis for determining working capital growth is the percentage increase of working capital growth as compared to the previous quarter). If there is negative revenue and/or working capital growth, the results of that quarter negatively impact the incentive plan calculation by the same amounts and percentages as mentioned above. This plan replaced the incentive plan that was implemented in 2009 which entitled the Named Executive Officers to compensation that was based on a percentage of positive operating cash flow generated during each reporting period. The Incentive plan paid a combined total of 12% of cash flow positive results (the net change in the cash balance from the beginning of the fiscal quarter to the end of the fiscal quarter that is derived from operations and investing) for the first \$50,000 of cash flow positive results and 18% of cash flow positive results in excess of \$50,000 and up to \$250,000 and 16% of cash flow positive results in excess of

\$250,000 for the cash flow positive results for each quarter. There was a maximum payout of \$20,000 in place and if cash flow was negative during the quarter, the results of that quarter negatively impact the incentive plan calculation for the following quarter.

The Corporation also has a cash bonus incentive plan in place for the Vice President, Sales, Marketing and Services. This plan pays a cash bonus for strategic deals that the VP, Sales, Marketing and Services is directly involved with and pays quarterly bonuses of \$2,000 or \$4,000 (depending on the level of achievement) for Quorum achieving each of three key business plan metrics: new customer monthly additions sold; Add-on and 3<sup>rd</sup> party monthly additions sold; and support and one-time revenue billed.

### **Incentive Award Plan**

The principal purposes of the Incentive Award Plan are to: (i) retain and attract qualified Service Providers that we require; (ii) promote a proprietary interest by such Service Providers and to encourage such persons to remain in our employ or service and put forth maximum efforts for the success of our business; and (iii) focus our management on operating and financial performance and growth and profitability.

Under the terms of the Incentive Plan, any eligible Service Provider (including the NEOs) may be granted Incentive Awards. In determining the Service Providers to whom Incentive Awards may be granted ("**Grantees**") and the number of Incentive Awards, the Board may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors: (i) compensation data for comparable benchmark positions among the Corporation's peer group; (ii) the duties, responsibilities, position and seniority of the Grantee; (iii) the Corporation's performance; (iv) the individual contributions and potential contributions of the Grantee to the success of Quorum; (v) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to our success; (vi) the Fair Market Value (as hereinafter defined) or current market price of the Common Shares at the time of grant of such Incentive Awards; and (vii) such other factors as the Board shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Incentive Plan.

Subject to the terms and conditions of the Incentive Plan, and unless otherwise determined by the Board at the time of grant, Grantee's are entitled to payment of the underlying value of their Incentive Awards in three equal instalments on the first, second and third anniversaries (the "**Payment Dates**") of the date of grant of such Incentive Awards. The underlying value (the "**Award Value**") is calculated at the Payment Date(s) by multiplying the number of Incentive Awards (as adjusted by the Adjustment Ratio in accordance with the Incentive Plan) by the Fair Market Value of the Common Shares. The Fair Market Value is determined on the Payment Date as the volume weighted average of the prices at which the Common Shares traded on the TSX Venture Exchange (the "**TSXV**") for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date.

On the applicable Payment Date, the Corporation shall have the option of settling the Award Value to which the holder of Incentive Awards is entitled in the form of either cash or in Common Shares which may either be acquired by the Corporation on the TSXV or issued from treasury, or some combination thereof.

The number of Common Shares available to be issued under the Incentive Plan from time to time in payment of the Award Value of outstanding awards is limited to 4,050,259 Common Shares. The aggregate number of Incentive Awards granted to any single Service Provider shall not

exceed 5% of the issued and outstanding Common Shares, calculated on an undiluted basis. In addition: (i) the number of Common Shares issuable at any time, under all security based compensation arrangements of Quorum, shall not exceed 10% of the issued and outstanding Common Shares; and (ii) the number of Common Shares issued to insiders, within any one-year period, under all security based compensation arrangements of Quorum, shall not exceed 10% of the issued and outstanding Common Shares. Incentive awards may be granted in excess of the limits set forth in this paragraph provided that prior to the receipt of the requisite shareholder approval, as provided in the Award Plan, such incentive awards may not be paid until such approval has been received.

In the event of a Change of Control, the Payment Date(s) applicable to all outstanding Incentive Awards will be accelerated such that the balance of the Award Value attaching to such Incentive Awards will be paid immediately prior to the date upon which the Change of Control is completed.

As of the date hereof, 2,497,200 Incentive Awards are issued and outstanding.

### Summary Compensation Table

The following table sets forth certain information regarding the compensation of the Named Executive Officers for the two most recently completed financial years. Other than Mr. Marks, Mr. Allen and Mr. Ichelson, no executive officer of the Corporation received total compensation of greater than \$150,000 during the most recently completed financial year.

Non-equity incentive plan compensation \$							
Name and principal position	Year	Salary \$	Option based awards \$	Share based awards \$	Annual incentive plans <sup>(1)</sup>	All other compensation <sup>(2)</sup> \$	Total compensation \$
Maury Marks President and Chief Executive Officer	2017	230,000	Nil	Nil	9,859	Nil	239,859
	2016	224,966	Nil	Nil	4,869	Nil	229,835
Marilyn Bown Chief Financial Officer	2017 <sup>(3)</sup>	44,193	Nil	Nil	9,859	Nil	54,052
	2016	102,500	Nil	Nil	4,869	Nil	107,369
Mark Allen VP Sales, Marketing and Services <sup>(4)</sup>	2017	180,000 USD	Nil	Nil	43,065 USD	Nil	223,065 USD
		233,748 CAD	Nil	Nil	55,925 CAD	Nil	289,673 CAD
	2016	180,000 USD	Nil	Nil	41,104 USD	Nil	221,104 USD
		238,554 CAD	Nil	Nil	54,475 CAD	Nil	293,029 CAD
Dan Ichelson VP Operations and Development	2017	148,500	Nil	Nil	9,859	Nil	158,359
	2016	145,500	Nil	Nil	4,869	Nil	150,369

Notes:

- (1) Amounts represent cash bonuses paid under the Corporation's annual bonus incentive plan.
- (2) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (3) Ms. Bown commenced maternity leave on February 10, 2017. On an annualized basis, Ms. Bown's salary in 2017 would have been \$105,000.

- (4) Mr. Allen resides in the US. Total compensation earned for 2017 were calculated as USD converted to Canadian dollars at the average exchange rate for 2017.

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

The following table sets forth, with respect to the Named Executive Officers, the number of unvested Incentive Awards and the value of the unvested Incentive Awards as at the completion of the most recent financial year of the Corporation. The Corporation did not have any outstanding option-based awards as at the completion of the most recent financial year.

Name	Option-Based Awards					Share-Based Awards	
	Date of grant	Number of Common underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or unites of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Maury Marks	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marilyn Bown	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Allen	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dan Ichelson	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth for each Named Executive Officer, the value of the Corporation's share-based awards, which vested, and the value of non-equity incentive plan compensation earned, during the Corporation's most recently completed financial year. No option-based awards vested 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 (\$)
Maury Marks	N/A	N/A	9,859
Marilyn Bown	N/A	N/A	9,859
			43,065 USD
Mark Allen	N/A	N/A	55,925 CAD
Dan Ichelson	N/A	N/A	9,859

## **Employment Agreements**

Each of Maury Marks, Marilyn Bown, Dan Ichelson and Mark Allen have employment agreements (collectively, the “**Employment Agreements**”) with the Corporation.

Pursuant to each of the Employment Agreements, in the event that the Corporation terminates the employment of a Named Executive Officer without just cause, the Named Executive Officer shall be entitled to four (4) months current base salary plus two (2) weeks for each year of employment with the Corporation to a maximum of one full year of severance.

In the event there is a Change of Control (as such term is hereinafter defined), each Named Executive Officer shall have a period of ninety (90) days to elect to terminate his or her employment, and upon such election shall be entitled to a payment equal to one (1) year’s current base salary. In addition, should a Named Executive Officer be terminated from employment without just cause by the Corporation within one year after a Change of Control, the Corporation shall pay the Named Executive Officer a severance of one (1) year’s current base salary.

For purposes of an Employment Agreement, a “Change of Control” shall be deemed to have occurred at such time as:

- 1) The acquisition by any person, entity or "group," of ownership of 50% or more of either the then outstanding shares of Common Stock or the combined voting power of Corporation's then outstanding voting securities entitled to vote generally in the election of directors; or
- 2) The concurrent departure (whether by resignation, termination or otherwise) of a majority of the independent directors of the Board of Directors as a result of difference of opinion over a significant policy matter; or
- 3) Approval by the stockholders of Corporation of a reorganization, merger, or consolidation; or
- 4) A liquidation or dissolution of Corporation or of the sale of all or substantially all of the assets of Corporation; or
- 5) Any other event which in the opinion of the Board of Directors reasonably constitutes a Change of Control.

In addition, all Incentive Awards held by an NEO immediately vest on a Change of Control or in the event of termination without cause.

## **Estimated Incremental Payments as of December 31, 2017**

The following table sets forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers had the Named Executive Officers been terminated without just cause or if the Named Executive Officers elected to terminate his or her employment within 90 days of a Change of Control, in each case had such events occurred on December 31, 2017.

Name	Terminated without Just Cause (\$)	Award value of incentive awards that vest upon termination without Just Cause (\$)	Total compensation upon termination without Just Cause (\$)	Elect to terminate within 90 days of change of control or terminated without Just Cause within 1 year of a change of control (\$)	Award value of incentive awards that vest upon a change of control (\$)	Total compensation upon election to terminate within 90 days of change of control or terminated without Just Cause within 1 year of a change of control (\$)
Maury Marks	230,000	Nil	230,000	230,000	Nil	230,000
Marilyn Bown	63,942	Nil	63,942	105,000	Nil	105,000
Mark Allen	128,077 USD	Nil	128,077 USD	180,000 USD	Nil	180,000 USD
	166,321 CAD	Nil	166,321 CAD	233,748 CAD	Nil	233,748 CAD
Dan Ichelson	139,933	Nil	139,933	148,500	Nil	148,500

### Director Compensation

Each of the directors of the Corporation, other than Maury Marks and Jon Hook, earned compensation of \$1,500 per each full quarter that they served as a director of the Corporation during the last completed financial year. As well, the Chairman of the Board of Directors and the Audit Committee Chairman received extra compensation of \$500 per quarter. All directors of the Corporation were also reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the directors of the Corporation, other than Maury Marks and Jon Hook, were granted 210,000 Incentive Awards on December 1, 2014 that vest as to 1/3 on each of the first, second and third anniversaries of the date of grant. Joe Campbell was granted 210,000 Incentive Awards on December 1, 2015 that vest as to 1/3 on each of the first, second and third anniversaries of the date of grant.

### Directors' Summary Compensation Table

The following table sets forth for the most recently completed financial year of the Corporation information concerning the compensation paid to the Corporation's directors other than directors who are also Named Executive Officers.

Name	Fees earned (\$)	Share-Based awards (\$)	Option-Based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Michael Podovilnikoff	8,000	Nil	Nil	Nil	Nil	8,000
Craig Nieboer	8,000	Nil	Nil	Nil	Nil	8,000
John Carmichael	6,000	Nil	Nil	Nil	Nil	6,000
Scot Eisenfelder	7,695 <sup>(1)</sup>	Nil	Nil	Nil	Nil	7,695
Joseph Campbell	7,695 <sup>(1)</sup>	Nil	Nil	Nil	Nil	7,695
Jon Hook <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	N/A



*Note:*

- (1) Mr. Scot Eisenfelder and Mr. Joseph Campbell reside in the United States. Fees earned for 2017 were calculated as \$6,000 USD converted to Canadian dollars at exchange rate in effect on date of payments.
- (2) Mr. Jon Hook joined the Board of Directors on December 9, 2016 and did not receive any compensation for the period from his appointment until December 31, 2017.

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

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, certain information with respect to all share-based awards granted to such directors and which were outstanding at the completion of the Corporation's most recently completed financial year. The Corporation did not have any outstanding option-based awards as at the completion of the most recently completed financial year.

Name	Option-Based Awards					Share-Based Awards	
	Date of grant	Number of Common underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or unites of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(1)</sup> (\$)
Michael Podovilnikoff	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Craig Nieboer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Carmichael	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scot Eisenfelder	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Joseph Campbell	N/A	N/A	N/A	N/A	N/A	70,000	48,300
Jon Hook	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Note:*

- (1) Calculated based on the closing price of the Common Shares on the TSX Venture Exchange on December 31, 2017, being \$0.69.

### Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Corporation's directors other than directors who are also Named Executive Officers, the value of their share-based awards which vested during the Corporation's most recently completed financial year. The Corporation does not have any outstanding option-based awards and none of such directors earned any non-equity incentive plan compensation during the last completed financial year.

Name	Option-Based awards – Value vested during the year (\$)	Share-Based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Podovilnikoff	N/A	N/A	N/A
Craig Nieboer	N/A	N/A	N/A
John Carmichael	N/A	N/A	N/A
Scot Eisenfelder	N/A	N/A	N/A
Joseph Campbell	N/A	47,600	N/A
Jon Hook	N/A	N/A	N/A

Note:

(1) Calculated based on the volume weighted average trading price of the Common Shares for the 5 trading days ended December 1, 2017, being the date the applicable Incentive Awards vested.

### Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,189,300	\$0.68	4,050,259
Equity compensation plans not approved by security holders	-	-	-
Total	1,189,300	\$0.68	4,050,259

### Indebtedness of Directors and Executive Officers

No director, executive officer, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries, nor, at any time since the beginning of the most recently completed financial year of the Corporation has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

**Audit Committee Information**

***Audit Committee Mandate and Terms of Reference***

The Mandate and Terms of Reference of the Audit Committee of the board of directors is attached hereto as Appendix "A".

***Composition of the Audit Committee***

The Corporation is required to have an audit committee. The general function of the Corporation's Audit Committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Corporation's auditor. The Audit Committee, as of June 22, 2018 is composed of Messrs. Nieboer (Chairman), Eisenfelder, and Podovilnikoff, each of whom are considered independent directors pursuant to National Instrument 52-110 – Audit Committees ("**NI 52-110**").

Name	Independent	Financially Literate
Craig Nieboer	Yes	Yes
Michael Podovilnikoff	Yes	Yes
Scot Eisenfelder	Yes	Yes

The following is a description of the education and experience of each member of the Audit Committee.

**Craig Nieboer**

Craig Nieboer received a Bachelor of Commerce at the University of Calgary in 1988, and is a member of the Institute of Chartered Professional Accountants of Alberta. He has over twenty five years of experience in senior financial positions with internationally recognized service and exploration and production companies including Amerada Hess and BrazAlta Resources Corp., and currently is CFO of CES Energy Solutions Corp. He also held the position of CFO with Quorum Information Technologies Inc. from 2003 through 2006 where he played a major role in securing the GM IDMS contract.

**Michael Podovilnikoff**

Michael Podovilnikoff obtained a Masters of Business Administration from Queens University in 1998. He has also successfully completed various degree courses in Management, Engineering, Business and Human resources from various universities and learning institutes, and has served on the board of directors for TR Labs and Conference Board of Canada Human Resource Committee, plus was a member of multiple national and international committees and forums within the telecommunications discipline. He worked in the high tech industry for over 35 years and during that period he was in various executive positions. Mr. Podovilnikoff is currently providing consulting services on various business-related matters.

**Scot Eisenfelder**

Scot Eisenfelder received a Bachelor of Arts Degree from Princeton University in 1986 and a Masters of Business Administration from the Wharton School, University of Pennsylvania in 1991. Currently he is the Chief Executive Officer of Affinitiv. Prior to that he was the President of Empiritas. Prior to that that he was the Vice President Strategy of AutoNation and previously was group vice president of JM Family Enterprises, responsible for the dealer software business. Prior to that, he was senior vice president and an officer at Reynolds & Reynolds, responsible for the US business from 2005-2007. Mr. Eisenfelder ran J.D. Power’s auto retail research and consulting practice. Prior to this, he was a partner in the global auto practice where he specialized in sales, marketing and distribution issues. Mr. Eisenfelder has focused on helping automotive companies and dealer groups improve performance for almost two decades.

***Pre-Approval of Policies and Procedures***

The Audit Committee has adopted a policy to review and pre-approve any non-audit services to be provided to the Corporation by the external auditors and consider the impact on the independence of such auditors. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.

***External Auditor Service Fees***

The following table sets forth the aggregate fees billed in each of the last two fiscal years for audit services rendered by the Corporation's external auditor.

Year Ending on December 31	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2017	\$56,900	-	-	-
2016	\$55,000	-	-	-

***Exemption***

The Corporation is relying upon the exemption in section 6.1 of National Instrument 52-110 with respect to the reporting obligations under Part 5 thereof.

**Corporate Governance Practices**

National Instrument 58-101, entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSXV also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 ("**Form 58-101F2 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F2 Disclosure.

1. **Board of Directors – Disclose how the Board of Directors (the "Board") facilitates its exercise of independent supervision over management, including:**

(i) **the identity of independent directors**

The following five current directors of the Corporation are independent (for purposes of NI 58-101):

Michael Podovilnikoff

Craig Nieboer

John Carmichael

Scot Eisenfelder

Joe Campbell

(ii) **the identity of directors who are not independent, and the basis for that determination.**

Mr. Marks is not independent as he is an officer of the Corporation.

Mr. Hook is not independent as he is a senior analyst with Voss Capital LLC.

2. **Directorships – If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

None of the proposed directors are presently directors of other reporting issuers.

3. **Orientation and Continuing Education – Describe what steps the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited turnover of the directors and the experience and expertise of the members of the Board.

No formal continuing education program currently exists for the directors of the Corporation. The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Corporation has the responsibility for

ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

4. ***Ethical Business Conduct*** – Describe what steps the board takes to encourage and promote a culture of ethical business conduct.

The Corporation has adopted a set of Core Values (“Our Values”), which are detailed on the Corporation’s website at [www.QuorumDMS.com](http://www.QuorumDMS.com) and in the Corporation’s 2017 Annual Report. Additionally, the Corporation has adopted an Opportunities and Harassment Policy governing employee conduct in the workplace, a copy of which may be obtained from the Chief Financial Officer of the Corporation, (403) 777-0036 or [BownM@QuorumDMS.com](mailto:BownM@QuorumDMS.com). The Board has also adopted a “Whistleblower Policy” wherein employees and consultants of the Corporation are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

5. ***Nomination of Directors*** – Disclose what steps are taken to identify new candidates for board nomination, including (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The Compensation and Corporate Governance Committee is responsible for recommending suitable candidates for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Compensation and Corporate Governance Committee is to consider: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Compensation and Corporate Governance Committee is also to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

6. ***Compensation*** – Disclose what steps are taken to determine compensation for the directors and CEO, including (i) who determines compensation, and (ii) the process of determining compensation.

*Compensation of Directors*

The Compensation and Corporate Governance Committee conducts a yearly review of directors’ compensation having regard to various reports on current trends in directors’ compensation and compensation data for directors of issuers of comparative size to the Corporation.

### *Compensation of Officers*

Base salary ranges are determined by the Compensation and Corporate Governance Committee on the basis of position held, related responsibilities and functions performed.

Base salaries and bonus levels for the Chief Executive Officer are established by the Compensation and Corporate Governance Committee in consultation with the Board.

**7. *Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.***

The Corporation has two committees: (1) the Audit committee, and (2) the Compensation and Corporate Governance committee.

The Compensation and Corporate Governance Committee acts as the nominating committee of the Corporation. In addition, the Compensation and Corporate Governance Committee is responsible for developing the approach of the Corporation in matters concerning corporate governance including:

- (i) annually reviewing the mandates of the Board and its committees and recommending to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (ii) considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- (iii) preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's information circular;
- (iv) making recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- (v) reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
- (vi) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- (vii) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the

overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:

- (I) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - (II) the competencies and skills that the Board considers each existing director to possess;
  - (III) the competencies and skills each new nominee will bring to the boardroom; and
  - (IV) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- (viii) as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;
  - (ix) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
  - (x) developing and recommending to the Board for approval and periodical review, structures and procedures designed to ensure that the Board can function effectively and independently of management;
  - (xi) making recommendations to the Board regarding appointments of corporate officers and senior management;
  - (xii) reviewing annually the Committee's Mandate and Terms of Reference; and
  - (xiii) reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director.

**8. Assessments – Disclose what steps the board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.**

The Compensation and Corporate Governance Committee is responsible by its terms of reference to evaluate the effectiveness of the Board, committees and individual directors. The Compensation and Corporate Governance Committee evaluates Board effectiveness through both its formal and informal communications with Board members. The Committee, with the participation of the Chairman, may recommend changes to enhance Board performance based on this communication as well as based on its review and assessment of the Board structure and individuals in relation to current industry and regulatory expectations. This methodology has been both responsive and practical.



## **INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth below, there were no material interests, direct or indirect, of any director or executive officer of the Corporation, any proposed director(s), or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as set forth herein, the directors and executive officers of the Corporation are not aware of any material interest, direct or indirect, by way of beneficial ownership or securities or otherwise, of any director or nominee for director, or any executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2017 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management's discussion and analysis are available on SEDAR and upon request from Marilyn Bown, Chief Financial Officer of the Corporation, (403) 777-0036 or [BownM@QuorumDMS.com](mailto:BownM@QuorumDMS.com).

## **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

## APPENDIX "A"

### MANDATE AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

#### I. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors (the "Board of Directors" or "Board") of Quorum Information Technologies Inc. (the "Corporation") in fulfilling its responsibilities by reviewing: the financial reports and other financial information provided by the Corporation to any governmental body or the public; the Corporation's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and the Corporation's auditing, accounting and financial reporting processes generally. Consistent with this function, the Audit Committee should endeavour to encourage continuous improvement of, and should endeavour to foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary objectives are:

1. To assist directors to meet their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditor's independence;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the outside directors by facilitating discussions between directors on the Audit Committee, management and external auditors.

#### II. COMPOSITION

The Audit Committee shall be comprised of three or more directors as determined by the Board of Directors, the majority of whom are "independent" (as such term is used in National Instrument 52-110 — Audit Committees "NI 52-110"). The majority of the members of the Audit Committee shall be "financially literate". The Board of Directors has adopted the definition for "financial literacy" used in NI 52-110, which definition is "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board of Directors at the annual organizational meeting of the Board of Directors and remain as members of the Audit Committee until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

### **III. MEETINGS**

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet at least annually with management and the independent auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee or at least its Chair should meet with the independent auditors and management quarterly to review the Corporation's financials consistent with Section IV.4 below.

A quorum for meetings of the Audit Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Audit Committee shall be the same as those governing the Board.

### **IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Audit Committee shall endeavour to:

#### ***Documents/Reports Review***

1. Review and update this Charter periodically, at least annually, as conditions dictate.
2. Review the organization's annual and interim financial statements, management's discussion and analysis, earnings press releases and any reports or other financial information submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the independent auditors.
3. Review the reports to management prepared by the independent auditors and management's responses.
4. Review with financial management and the independent auditors the quarterly financial statements prior to their filing or prior to the release of earnings. The Chair of the Audit Committee may represent the entire Audit Committee for purposes of this review.
5. Review of significant findings during the year, including the status of previous significant audit recommendations.
6. Periodically assess the adequacy of procedures for the review of corporate disclosure that is derived or extracted from the financial statements.

#### ***Independent Auditors***

7. Recommend to the Board the external auditors to be nominated for appointment by the shareholders.
8. Recommend to the Board the compensation of the external auditors.
9. On an annual basis, the Audit Committee should review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditor's independence.

10. Review any material disagreements between management and the independent auditors and review, consider and make a recommendation to the Board regarding any proposed discharge of the auditors when circumstances warrant.
11. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
12. Periodically consult with the independent auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.
13. Review the audit scope and plan of the independent auditor.
14. Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
15. Pre-approve the completion of any non-audit services by the external auditors and determine which non-audit services the external auditor is prohibited from providing. The Audit Committee may delegate to one or more members of the Audit Committee authority to pre-approve non-audit services in satisfaction of this requirement and if such delegation occurs, the pre-approval of non-audit services by the Audit Committee member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee shall be entitled to adopt specific policies and procedures for the engagement of non-audit services if:
  - (a) the pre-approval policies and procedures are detailed as to the particular service;
  - (b) the Audit Committee is informed of each non-audit service; and
  - (c) the procedures do not include delegation of the Audit Committee's responsibilities to management.

The Audit Committee will satisfy the pre-approval requirement set forth in this paragraph 15 if:

- (a) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the auditors during the fiscal year in which the services are provided;
  - (b) the Corporation or the subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
16. the services are promptly brought to the attention of the Audit Committee and approved, prior to completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.
17. Review and approve hiring policies relating to staff of current and former auditors.

### ***Financial Reporting Processes***

18. In consultation with the independent auditors, annually review the integrity of the organization's financial reporting processes, both internal and external.
19. In consultation with the independent auditors, consider annually the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
20. Consider and approve, if appropriate, major changes to the Corporation auditing and accounting principles and practices as suggested by the independent auditors or management.
21. Review risk management policies and procedures of the Corporation (i.e., litigation and insurance).

### ***Process Improvement***

22. Request reporting to the Audit Committee by each of management and the independent auditors of any significant judgments made in the management's preparation of the financial statements and the view of each group as to appropriateness of such judgments.
23. Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
24. Review any significant disagreements among management and the independent auditors in connection with the preparation of the financial statements.
25. Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.)
26. Conduct and authorize investigations into any matters brought to the Audit Committee's attention and within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain and to approve compensation for any independent counsel and other professionals to assist in the conduct of any investigation.
27. Review the systems that identify and manage principal business risks.
28. Establish a procedure for:
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;



which procedure shall be set forth in a "whistle blower program" to be adopted by the Audit Committee in connection with such matters.

### ***Legal Compliance***

29. In consultation with the auditors, consider the review system established by management regarding the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public in the context of the applicable legal requirements.
30. On at least an annual basis, review with the Corporation's auditors or counsel, as appropriate, any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or government agencies.
31. Review with the organization's counsel legal compliance matters including the trading policies of securities.
32. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

