

**ENTERPRISE GROUP, INC.**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**JUNE 13, 2019**

**NOTICE OF MEETING AND**

**MANAGEMENT INFORMATION CIRCULAR**

**May 1, 2019**

**ENTERPRISE GROUP, INC.**  
#2, 64 Riel Drive, St. Albert, Alberta T8N 4A4

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the annual and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of Enterprise Group, Inc. (the “**Corporation**”) will be held on the 13<sup>th</sup> day of June, 2019 at 9:30 a.m. (Mountain time) at the Solara Resort, 187 Kananaskis Way, Canmore, Alberta in Room A200, for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2018 and the auditor’s report thereon;
2. to elect the board of directors for the ensuing year;
3. to appoint Grant Thornton LLP, Chartered Accountants, of Edmonton, Alberta, as auditors of the Corporation, at a remuneration to be fixed by the board of directors;
4. to consider an ordinary resolution approving unallocated option entitlements under the Corporation’s stock option plan; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record at the close of business on May 1, 2019 are entitled to notice of and to attend the Meeting or any adjournment thereof and to vote thereat.

**DATED** at the City of St. Albert, in the Province of Alberta this 1st day of May, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) “*Leonard D. Jaroszuk*”  
President and Chief Executive Officer

**IMPORTANT**

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Odyssey Trust Company, 350 – 300 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3C4 or <http://odysseytrust.com/Transfer-Agent/Login>, no later than 10:30 a.m. (Mountain time) on June 11, 2019 or the second last business day (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. However, the deadline for the deposit of proxies may be waived by the chairman of the Meeting at his sole discretion without notice. Shareholders who hold their shares through a bank, broker or other intermediaries should follow the voting instructions provided to them.

**ENTERPRISE GROUP, INC.**  
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JUNE 13, 2019**

**MANAGEMENT INFORMATION CIRCULAR**

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Enterprise Group, Inc. (the “**Corporation**”) for use at the annual and special meeting of the holders of common shares (the “**Common Shares**”) of the Corporation to be held on the 13<sup>th</sup> day of June, 2019 at 9:30 a.m. (Mountain time) at the Solara Resort, 187 Kananaskis Way, Canmore, Alberta in Room A200 (the “**Meeting**”), or at any adjournment thereof, for the purpose set forth in the Notice of Meeting. The information contained herein is given as of the 1st day of May, 2019, except where otherwise indicated. There is enclosed herewith a form of proxy (the “**Instrument of Proxy**”) for use at the Meeting. Each holder of Common Shares of the Corporation (“**Shareholder**”) who is entitled to attend meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

**APPOINTMENT AND REVOCATION OF PROXIES**

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Odyssey Trust Company (“**Odyssey**”), 350 – 300 5th Avenue S.W., Calgary, Alberta T2P 3C4 or <http://odysseytrust.com/Transfer-Agent/Login>, no later than 10:30 a.m. (Mountain time) on June 11, 2019 or on the second last business day (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. A proxy must be executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Shareholders may use the internet site at <http://odysseytrust.com/Transfer-Agent/Login> to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. The website may be used to appoint a proxy holder to attend and vote on a shareholder’s behalf at the Meeting and to convey a shareholder’s voting instructions. Please note that if a shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, 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.

**Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation.** The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Odyssey at the place and within the time specified above for the deposit of proxies.

**A proxy may be revoked by the person giving it at any time prior to the exercise thereof. 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 his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or

attorney thereof duly authorized, and deposited with Odyssey at the place specified above for the deposit of proxies. The close of business on May 1, 2019 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the “**Record Date**”).

## **NOTICE TO BENEFICIAL HOLDERS OF SHARES**

Only registered holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant.

In accordance with the requirements of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, this Information Circular and the enclosed form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders. The Corporation does not intend to pay for Intermediaries to forward meeting materials and voting instruction request forms to those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about them pursuant to Canadian securities legislation (“**Objecting Beneficial Owners**”). As a result, Objecting Beneficial Owners will not receive these materials unless the Intermediary assumes the cost of delivery.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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

## NOTICE-AND-ACCESS

Under the notice-and-access regime established pursuant to applicable securities laws, reporting issuers are permitted to deliver meeting materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each shareholder entitled to receive the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. The notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to Non-Registered Shareholders using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to Non-Registered Shareholders which includes instructions on how to access the Corporation's meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation's meeting materials pursuant to the notice-and-access regime reduces printing and mailing costs.

Notwithstanding the notice-and-access regime, the *Business Corporations Act* (Alberta) ("ABCA") requires the Corporation to deliver a paper copy of the meeting materials to a registered shareholder unless such shareholder provides written consent to electronic delivery. In order to ensure compliance with the ABCA, registered shareholders will be mailed a copy of the meeting materials.

## VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the shareholders who appoint them. Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the form of proxy.

Common Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed proxy form will be voted or withheld from voting in accordance with the instructions made on the proxy forms, on any ballot that may be called for and, if shareholders specify a choice as to any matters to be acted upon, such shareholders' Common Shares shall be voted accordingly. In the absence of such instructions or choices, such shares will be voted in favour of all matters identified in the Notice of Meeting accompanying this Information Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such Common Shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

## PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

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

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at May 1, 2019, the Corporation had 55,048,374 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Odyssey not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of five (5%) percent of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof no person or company beneficially owns or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Common Shares of the Corporation other than as set forth below:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Common Shares</b>
Leonard D. Jaroszuk St. Albert, Alberta	9,393,133	17%

## **MATTERS TO BE CONSIDERED AT THE MEETING**

To the best of the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

### **1. Consolidated Financial Statements**

The audited consolidated financial statements of the Corporation for the year ended December 31, 2018 and the auditor's report thereon will be placed before the Meeting. These statements and the auditor's report thereon have previously been distributed to Shareholders.

### **2. Election of Directors**

At the Meeting, it is proposed that five (5) directors be elected to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. There are currently five directors of the Corporation. Pursuant to the ABCA, unless elected, the current directors of the Corporation cease to hold office at the close of the Meeting.

The following table sets forth, in respect of each nominee, all positions currently held with the Corporation, the nominees' present principal occupation and the number of Common Shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, by each nominee. The information contained herein is based upon information furnished by the respective nominees.

<u>Name and Municipality of Residence</u>	<u>Date Since Served as a Director</u>	<u>Principal Occupation</u>	<u>Number of Common Shares Beneficially Owned or Subject to Control or Direction</u>
Leonard D. Jaroszuk St. Albert, Alberta, Canada	2004	President and Chief Executive Officer of the Corporation.	9,393,133
John Pinsent Edmonton, Alberta, Canada	2012	Chartered Accountant. Founding partner with St. Arnaud Pinsent Steman Chartered Accountants.	397,866
Desmond O'Kell St. Albert, Alberta Canada	2011	Senior Vice President and Corporate Secretary of the Corporation.	734,166
John Campbell Vancouver, British Columbia Canada	2014	Chairman of Triview Capital Ltd. from 2012 to present. President of Camlin Asset Management Ltd. from 2004 to present.	125,000
Neil Darling Calgary, Alberta Canada	2015	President and founder of Ramdar Resource Management Ltd., a wellsite management services company, since 1994.	525,000

The board of directors (the "**Board**") has an Audit Committee and a Compensation Committee, each comprised of John Pinsent, John Campbell and Neil Darling; and a Corporate Governance Committee consisting of John Campbell, Leonard Jaroszuk and Neil Darling.

#### *Audit Committee*

Information in respect of the Corporation's Audit Committee including a copy of the Audit Committee Mandate is set out in the Corporation's Annual Information Form dated March 15, 2019.

#### *Majority Voting Policy*

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director shall submit his or her resignation to the Board for consideration forthwith following the shareholders annual meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Board shall consider the resignation and determine whether or not to accept the resignation within 90 days of the applicable meeting and a press release shall be issued by the Corporation announcing the Board's determination. The Board shall accept the resignation absent exceptional circumstances. Any director who tenders his or her resignation shall not participate in any meetings to consider whether the resignation shall be accepted.

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

To the knowledge of the management of the Corporation, other than disclosed below, no proposed director of the Corporation is, or has been within ten years prior to the date hereof: (a) a director, chief

executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days (collectively, an “**Order**”), or 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; or (b) a director or executive officer of any company, including the Corporation, that while 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.

Mr. Jaroszuk was a director of United Protection Security Group Inc., or its predecessors (“**United Protection**”) from November 1993 to May 2007 and from July 2012 to May 13, 2013 and Mr. Jaroszuk was an officer of United Protection from November 1993 to May 2005. United Protection Security Group Inc. was subject to a cease trade order issued by the Alberta Securities Commission on May 3, 2013 and a cease trade order issued by the British Columbia Securities Commission on May 8, 2013 for failure to file continuous disclosure documents. United Protection filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) on May 31, 2013 and was deemed to have filed an assignment in bankruptcy under such Act on June 11, 2013.

To the knowledge of the management of the Corporation, no proposed director or a holding company of such proposed director, has, within the ten years prior to 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 or the assets of the proposed director’s holding company.

To the knowledge of the management of the Corporation, no proposed director or a holding company of such proposed director, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **3. Appointment of Auditors**

The persons named in the enclosed form of proxy intend to nominate and vote for the appointment of Grant Thornton LLP, Chartered Accountants, of Edmonton, Alberta, as auditors of the Corporation at a remuneration to be fixed by the Board and to hold such office until the next annual meeting of the Corporation.

### **4. Approval of Unallocated Option Entitlements under the Stock Option Plan**

At the Meeting, Shareholders will be asked to approve the unallocated option entitlements under the amended and restated stock option plan dated effective as of June 2, 2016 (the “**Stock Option Plan**”). The Stock Option Plan is a “rolling plan” whereby the Corporation may grant options (“**Options**”) in respect of a maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares of the Corporation. The terms of the Stock Option Plan are described in further detail below. There have not been any amendments to the Stock Option Plan since it was last approved by Shareholders in 2016.



### ***Description of the Stock Option Plan***

The Stock Option Plan permits the granting of Options to the directors, officers, employees and other eligible service providers of the Corporation and its subsidiaries for the purpose of providing directors, officers, employees and other eligible service providers with an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan, in aggregate, shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any Option. Upon the exercise, expiration, cancellation or other termination of any Options under the Stock Option Plan, a number of Common Shares equal to the number of Options so exercised, expired, cancelled or terminated shall automatically become available for issuance in respect of Options that may subsequently be granted under the Stock Option Plan.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and any other security based compensation arrangement, if any, and: (i) issued to insiders, within any one year period, shall not exceed 10% of the issued and outstanding Common Shares; and (ii) issuable to insiders, shall not exceed 10% of the issued and outstanding Common Shares. In addition, the Stock Option Plan provides that: (i) the maximum number of Common Shares issuable pursuant to Options granted under the Stock Option Plan to any one non-executive director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant; and (ii) the maximum number of Common Shares reserved for issuance under all security based compensation arrangements of the Corporation issued to any one non-executive director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant.

The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the Options may not be less than the three day volume weighted average trading price per Common Share on the principal stock exchange on which the Common Shares are traded immediately preceding the date of grant.

Participation in the Stock Option Plan is voluntary. In order to constitute a valid Option under the Stock Option Plan, the participant and the Corporation must enter into a valid option agreement in a form acceptable to the Board. Options granted under the Stock Option Plan will be for a term of no longer than 10 years after the date of grant. The Board has the sole discretion to determine the time during which Options will vest and the method of vesting. The interest of any optionee under the Stock Option Plan is not transferable or alienable by the optionee either by assignment or in any manner, during the optionee's lifetime.

If any optionee ceases to be an eligible participant under the Stock Option Plan as a result of permanent physical or mental disability or death, then, the total number of Options not previously purchased by such optionee, whether or not the rights to purchase some or all of the Common Shares pursuant to those Options have previously vested, may be exercised for a period ending on the earlier of the expiry date of such Options and one year to the date the optionee ceases to be a participant due to such permanent physical or mental disability or death. If an optionee ceases to be a participant for reasons other than permanent physical or mental disability or death and is terminated without notice or entitlement to notice or compensation in lieu thereof, the optionee may exercise the Option, to the extent they have vested as of the date of ceasing to be a participant. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise the Option, to the extent they have vested, when reasonable

notice has been given, on the date the optionee ceases to be a participant and when compensation is paid in lieu of notice, for 21 days after the date the optionee ceases to be a participant.

In the event of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise or in the event of any other change in the Common Shares, the Board may proportionately adjust the number of Common Shares that may be issued under existing option agreements. In the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable, but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

The Stock Option Plan provides for the extension of the expiry date of any Option which would otherwise expire during a “black-out period” imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation, for 10 business days from the date that any “black-out period” ends.

The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the Shareholders, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or the Toronto Stock Exchange (the “TSX”). Disinterested Shareholder approval will be required for any reduction in the exercise price or the extension of the expiry date of Options granted to insiders. The approval of the holders of Common Shares will be required for future amendments to the Stock Option Plan that: amend the number of Common Shares issuable pursuant to Options issued thereunder; add any form of financial assistance by the Corporation for the exercise of an Option; or change the class of participants so as to potentially broaden or increase participation by insiders of the Corporation.

As at December 31, 2018, there were 4,835,000 options outstanding, representing 8.7% of the Common Shares outstanding as of that date, and 679,737 Common Shares, representing 1.2% of the outstanding Common Shares, available for further option grants. The Corporation’s annual burn rate, calculated by dividing the number of options granted under the Plan during the relevant fiscal year by the weighted average number of Common Shares outstanding for the applicable fiscal year, was 8.7% in 2016, nil% in 2017 and 2018.

### ***Unallocated Options***

Pursuant to the rules of the TSX, every three years, all unallocated Options entitlements available under the Stock Option Plan must be approved by a majority of the Corporation’s directors and the Shareholders. The Shareholders last approved unallocated Option entitlements under the Stock Option Plan on June, 2, 2016. As at the date hereof, 4,835,000 options to acquire Common Shares were outstanding, representing 8.8% of the 55,048,374 Common Shares issued and outstanding, leaving 669,837 Common Shares representing 1.2% of the issued and outstanding Common Shares available to be reserved for future option allocations, provided that the unallocated Option entitlements under the Option Plan is approved at the Meeting. However, as the Stock Option Plan is a “rolling plan”, the number of Common Shares available for future Option grants under the Stock Option Plan will increase or decrease from time to time, in the event of any increase or decrease in the outstanding share capital.

### ***Resolutions to be Considered***

The Directors unanimously approved all unallocated Option entitlements available under the Stock Option Plan on April 25, 2019. The unallocated Option entitlements under the Stock Option Plan must also

be approved by an ordinary resolution of the Shareholders, being a simple majority of votes cast by the shareholders of the Corporation who vote in person or by proxy at the Meeting.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until 2022. If the resolution approving the unallocated options under the Stock Option Plan is not approved, previously granted options will continue and not be affected; however, in such circumstances, additional options may not be granted and previously granted options will not be available for re-allocation if they are exercised or cancelled.

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to pass the following ordinary resolutions, relating to the approval of the unallocated Option entitlements under the Stock Option Plan (the “**Unallocated Option Entitlements Resolution**”):

“**IT IS HEREBY RESOLVED** as an ordinary resolution of the shareholders of the Corporation that:

1. all unallocated Option entitlements available under the Corporation’s stock option plan (the “**Stock Option Plan**”) are hereby approved until June 13, 2022;
2. the Corporation shall have the ability to continue granting Options under the Stock Option Plan until June 13, 2022, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any one director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in his or her discretion, determine to be necessary in order to give full effect to the intent and purpose of the foregoing resolutions.”

#### **5. Other Matters to be Acted Upon**

Management of the Corporation is not aware of any matters to come before the Meeting, other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

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

The Corporation is not aware of any material interest, direct or indirect, of any director, executive officer, nominee for election as a director of the Corporation or of any associate of any of the foregoing in respect of any matter to be acted on at the Meeting, except as specifically provided herein.

#### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of any “informed person” (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed director of the Corporation or any associate or affiliate of the foregoing, in any transaction since the beginning of the most recently completed financial year of the Corporation, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

No current or former directors, executive officers or employees of the Corporation or their associates, nor any proposed nominee for election as a director of the Corporation or their associates, is or was indebted to the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### *Compensation Governance*

The Compensation Committee is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. As part of its mandate, the Compensation Committee approves the appointment and remuneration of the Corporation's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Compensation Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally.

The Compensation Committee is comprised entirely of independent directors, currently being Messrs. Pinsent, Campbell and Darling. The committee members have experience as directors and officers of public and private issuers in a diverse range of industries that is relevant to their responsibilities and the making of decisions on the suitability of the Corporation's compensation policies and practices.

Due to the current small size of the executive team and the experience of the Compensation Committee, compensation consultants have not been engaged.

#### *Objectives of Compensation Program*

The objective of the executive compensation program is to attract, motivate, reward and retain management talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Compensation Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives and to the qualitative aspects of the individual's performance and achievements. In addition, the Compensation Committee will receive and review recommendations of the President and Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers.

Given its compensation philosophy, the Corporation does not base its compensation levels or decisions on its peers' activities, nor does it believe it should do so. Compensation has a fixed element, in terms of base salary, and an at-risk or performance based element, based, in part, on profits (which increases if profits rise and decreases if profits fall), and in part on equity (where value rises as stock price rises and falls or does not rise if stock price falls). If the Corporation's stock price decreases less than those of its peers, the Corporation sees no particular reason that an executive's compensation should increase. Similarly, if the work of the Corporation's executive team results in increases in profits, the Corporation believes bonuses based on profitability should increase, even if the Corporation's stock price does not, as market prices and valuation multiples are often based on other factors than company performance. The Corporation is engaged in providing equipment rental services to the energy and construction industries,

where profits are contingent on the ability to negotiate fair pricing, generate continuous demand, perform well under contract, and continuously improve efficiency and operating margins. The Corporation believes its compensation system rewards the behaviour that will increase the Corporation's value, and that an alternative system would not be in line with its operating principles or philosophy.

### *Elements of Compensation*

The executive compensation program is comprised of three principal components: base salaries, a bonus plan and a stock option plan which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

#### *Base Salaries*

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The base salaries for the executive officers are reviewed annually by the Compensation Committee and are determined by considering the contributions made by the officers, how their compensation levels relate to compensation packages that would be achievable by such officers from other opportunities and commercially available salary survey data. Salaries of the executive officers are not determined based on benchmarks or a specific formula. The Compensation Committee submits its recommendation to the full board of directors of the Corporation (the "**Board**") to determine the salary of the President and Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the President and Chief Executive Officer for the other executive officers of the Corporation.

#### *Bonus Plan*

The Board, upon the recommendation of the Compensation Committee, approves bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. The payment of bonuses is consistent with the overall objective of the Corporation to reward performance. The bonus plan is designed to provide a short term incentive to executive officers and is complemented and balanced by the Stock Option Plan, which is designed as a long-term incentive plan. Bonus payments are determined annually based on either financial or non-financial performance metrics and may range from 25% to 150% of a Named Executive Officer's annual salary.

#### *Stock Option Plan*

A critical element of executive compensation is direct or indirect equity participation by senior executives. The Compensation Committee believes that executives must be motivated not simply to increase corporate profits, but also the Corporation's stock price over the long term, to the benefit of shareholders. Senior executives are encouraged to own a significant amount of the Corporation's Common Shares, directly or with their families. The Corporation's senior executives have typically had significant equity positions.

The Compensation Committee believes that incentive compensation in the form of stock option grants pursuant to the Stock Option Plan is and has been beneficial and necessary to attract and retain both senior executives and managerial talent at other levels given the significant compensation levels its executives and management both were earning and could earn at other companies.

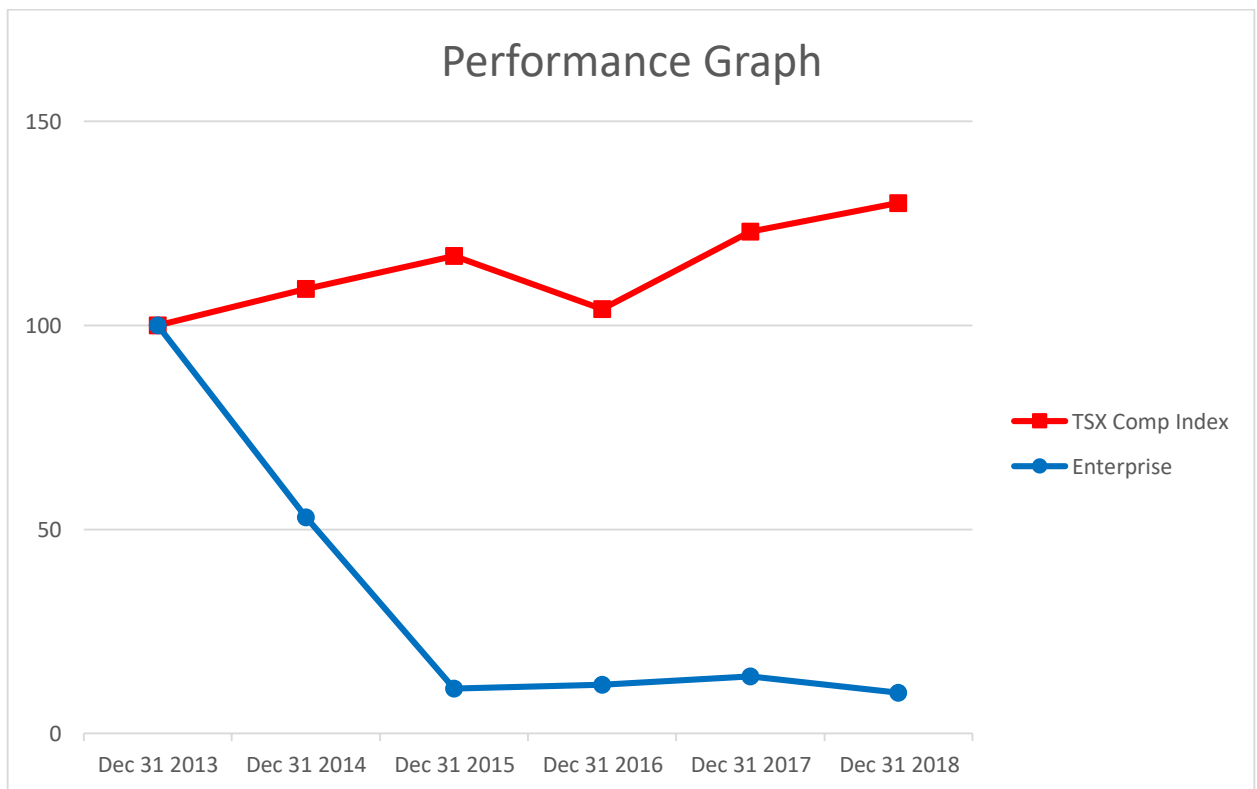
The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan, in aggregate, shall not exceed 10% of the issued and

outstanding Common Shares at the time of the grant of any Option. Upon the exercise, expiration, cancellation or other termination of any Options under the Stock Option Plan, a number of Common Shares equal to the number of Options so exercised, expired, cancelled or terminated shall automatically become available for issuance in respect of Options that may subsequently be granted under the Stock Option Plan.

For a detailed description of the Stock Option, see “*Matters to be Considered at the Meeting – Approval of Unallocated Option Entitlements under the Stock Option Plan*”.

### *Performance Graph*

The following graph compares the yearly percentage change in the cumulative shareholder return over the five most recently completed financial years of the Common Shares of the Corporation (assuming a \$100 investment was made on December 31, 2013) and the cumulative total return of the S&P/TSX Composite Index.



### *Total Shareholder Return and Its Relationship with Executive Compensation*

The Corporation’s executive compensation program consists of a combination of cash and equity based compensation. When the Compensation Committee and the Board determines overall compensation, it considers a number of factors and performance elements. Although total shareholder return is one performance measure that is reviewed, it is not the only consideration. As a result, a direct correlation between total shareholder return over a given period and executive compensation levels is not anticipated.

### *Option-Based Rewards*

The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, is for the Board to approve option grants based on recommendations made by the Compensation Committee. In determining the number of Options to be granted to the executive officers, the Compensation Committee considers the amount, terms and vesting levels of existing Options held by the officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain qualified technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the optionee and such other factors as the Compensation Committee may consider relevant.

### *Risks of Compensation Policies and Practices*

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Compensation Committee assesses facts that discourage the Corporation's executives from taking unnecessary or excessive risk: i) the Corporation's operating strategy and related compensation philosophy; ii) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation; iii) the effective balance, in each case, between cash and equity mix, near-term, and long-term focus, corporate and individual performance, and financial and non-financial performance; and iv) the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives. Based on this review, the Compensation Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

### *Financial Instruments*

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive Officer or director purchasing such an instrument.

### **Summary Compensation Table**

The following table sets forth a summary of all compensation during the financial years ended December 31, 2018, 2017 and 2016 for each Named Executive Officer ("NEO"), being: Leonard Jaroszuk, President and Chief Executive Officer; Warren Cabral, Chief Financial Officer; and Desmond O'Kell, Senior Vice President and Corporate Secretary. No other executive officer received total compensation of more than \$150,000 during the three most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)(3)</sup>	Total compensation (\$)
					Annual incentive plans	Long term Incentive plans			
Leonard Jaroszuk President and Chief Executive Officer	2018	645,668	nil	nil	307,461	nil	nil	240,000	1,193,129
	2017	572,995	nil	nil	nil	nil	nil	nil	572,995
	2016	559,020	nil	280,000	230,000	nil	nil	nil	1,069,020
Warren Cabral Chief Financial Officer	2018	215,250	nil	nil	105,000	nil	nil	180,000	500,250
	2017	205,000	nil	nil	nil	nil	nil	nil	205,000
	2016	188,004	nil	140,000	140,000	nil	nil	nil	468,004
Desmond O’Kell Senior Vice President and Corporate Secretary	2018	185,976	nil	nil	90,720	nil	nil	180,000	456,696
	2017	177,120	nil	nil	nil	nil	nil	nil	177,120
	2016	172,800	nil	140,000	140,000	nil	nil	nil	452,800

**Notes:**

- (1) The Corporation calculated the grant date fair value of the Options granted to Named Executive Officers using the Black-Scholes model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing Options. The Black-Scholes factor for the July 1, 2016 grant was 14%.
- (2) The value of perquisites and benefits for each NEO is less than \$50,000 and less than 10% of each NEO’s total salary for the financial year.
- (3) Success fees paid in connection with the completion of the divestment of substantially all of the assets of Calgary Tunnelling & Horizontal Augering Ltd. on March 22, 2018.

**Incentive Plan Awards***Outstanding Option-Based Awards*

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2018 to the NEOs of the Corporation. No share-based awards are outstanding at the end of the financial year ended December 31, 2018 to the NEOs of the Corporation.

Name	Option-based Awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(1)</sup>
Leonard Jaroszuk	2,000,000	\$0.34	June 30, 2019	nil
Warren Cabral	1,000,000	\$0.34	June 30, 2019	nil
Desmond O’Kell	1,000,000	\$0.34	June 30, 2019	nil

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Corporation’s Common Shares on the TSX on December 31, 2018 of \$0.23.

*Incentive Plan Awards — Value Vested or Earned During the Year*

The following table sets forth information relating to the value vested or earned during the Corporation’s financial year ended December 31, 2018 in respect of option-based awards and non-equity incentive plan compensation for NEOs of the Corporation.



Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation – Value earned during the year(\$)
Leonard Jaroszuk	nil	nil
Warren Cabral	nil	nil
Desmond O’Kell	nil	nil

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Corporation's Common Shares on the TSX on the vesting date.

**Termination and Change of Control Benefits**

The Corporation has no written contract, agreement, plan or arrangement that provides for payment to an executive officer in connection with any termination, resignation, retirement, change of control of the Corporation or change in the responsibilities of the executive officer other than as set forth below.

Pursuant to an employment agreement dated July 1, 2016, Leonard Jaroszuk, the President and Chief Executive Officer of the Corporation, is entitled to payments in the event his employment is terminated, there is a change of control of the Corporation or certain changes are made to the terms of his employment. In the event that Mr. Jaroszuk is terminated without cause, he is entitled to three years of compensation and bonuses, having an estimated value of \$3,043,863 as of the most recent year end. In the event that Mr. Jaroszuk elects to terminate his employment within two years following a significant modification of his employment duties, a request by the Corporation that he relocate his residence, a change in President and/or Chief Executive Officer of the Corporation or a change of control of the Corporation, Mr. Jaroszuk is entitled to thirty months of compensation, bonuses and benefits, having an estimated value of \$2,551,253 as of the most recent year end. In the event of termination for any reason, Mr. Jaroszuk would be subject to non-competition and non-solicitation restrictions for a period of two years from the date of termination.

Pursuant to a consulting agreement dated July 1, 2016, Warren Cabral, the Chief Financial Officer of the Corporation, is entitled to payments in the event his consulting agreement is terminated, there is a change of control of the Corporation or certain changes are made to the terms of his consulting agreement. In the event that Mr. Cabral’s consulting agreement is terminated without cause, he is entitled to three years of compensation and bonuses, having an estimated value of \$992,250 as of the most recent year end. In the event that Mr. Cabral elects to terminate his consulting agreement within two years following a significant modification of his consulting duties, a change in President and/or Chief Executive Officer of the Corporation or a change of control of the Corporation, Mr. Cabral is entitled to thirty months of consulting compensation, bonuses and benefits, having an estimated value of \$841,575 as of the most recent year end. In the event of termination for any reason, Mr. Cabral would be subject to non-competition and non-solicitation restrictions for a period of two years from the date of termination.

Pursuant to an employment agreement dated July 1, 2016, Desmond O’Kell, the Senior Vice President of the Corporation, is entitled to payments in the event his employment is terminated, there is a change of control of the Corporation or certain changes are made to the terms of his employment. In the event that Mr. O’Kell is terminated without cause, he is entitled to three years of compensation and bonuses, having an estimated value of \$857,304 as of the most recent year end. In the event that Mr. O’Kell elects to terminate his employment within two years following a significant modification of his employment duties, a request by the Corporation that he relocate his residence, a change in President and/or Chief Executive Officer of the Corporation or a change of control of the Corporation, Mr. O’Kell is entitled to thirty months of compensation, bonuses and benefits, having an estimated value of \$729,120 as of the most recent year end. In the event of termination for any reason, Mr. O’Kell would be subject to non-competition and non-solicitation restrictions for a period of two years from the date of termination.

In addition, pursuant to the Stock Option Plan, upon a change of control, the Board has discretion to determine the manner in which all unexercised Options will be treated including electing to accelerate the vesting of outstanding Options. The value of unvested Options that would have been received by the NEOs of the Corporation, following a change of control under the Stock Option Plan, had such event occurred on December 31, 2018 (based on the closing price of the Common Shares on the TSX on December 31, 2018) is nil.

## Director Compensation

### Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors during the Corporation's financial year ended December 31, 2018.

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
John Pinsent	46,500	nil	nil	nil	nil	nil	46,500
John Campbell	84,500	nil	nil	nil	nil	nil	84,500
Neil Darling	36,500	nil	nil	nil	nil	nil	36,500

**Notes:**

- (1) Disclosure for Leonard D. Jaroszuk and Desmond O’Kell has been provided in the Summary Compensation Table.

### Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2018 to the directors of the Corporation. No share-based awards were outstanding at the end of the end of the financial year ended December 31, 2018 to the directors of the Corporation.

Name <sup>(1)</sup>	Option-based Awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(2)</sup>
John Pinsent	125,000	\$0.34	June 30, 2019	nil
John Campbell	100,000	\$0.34	June 30, 2019	nil
Neil Darling	100,000	\$0.34	June 30, 2019	nil

**Notes:**

- (1) Disclosure for Leonard D. Jaroszuk and Desmond O’Kell has been included with the other Named Executive Officers under the heading “Incentive Plan Awards”.
- (2) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Corporation’s Common Shares on the TSX on December 31, 2018 of \$0.23

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

The following table sets forth information in respect of the value vested or earned during the Corporation’s financial year ended December 31, 2018 of option-based awards and non-equity incentive plan compensation for directors of the Corporation.

Name <sup>(1)</sup>	Option-based awards – Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
John Pinsent	nil	nil
Neil Darling	nil	nil
John Campbell	nil	nil

**Notes:**

- (1) Disclosure for Leonard D. Jaroszuk and Desmond O’Kell has been included with the other Named Executive Officers under the heading “Incentive Plan Awards”.
- (2) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Corporation’s Common Shares on the TSX on the vesting date.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as at December 31, 2018 with respect to the Corporation’s compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by securityholders	4,835,000	\$0.34	679,737 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	4,835,000	\$0.34	679,737

**Note:**

- (1) The stock option plan reserves 10% of the Common Shares outstanding from time to time for issuance pursuant to Options. For a complete description of the Stock Options Plan, see “*Statement of Executive Compensation – Compensation Discussion and Analysis – Stock Option Plan.*”

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### General

The Board recognizes that good corporate governance is of fundamental importance to the success of the Corporation. The Corporation’s governance practices are the responsibility of the Board and the Board has delegated some of its responsibilities to develop and monitor the Corporation’s governance practices to the Corporate Governance Committee.

This Statement of Corporate Governance Practices sets out the Board’s review of the Corporation’s governance practices relative to National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 — *Corporate Governance Guidelines* (“**NP 58-201**”).

## Board of Directors

An “independent director” generally is one who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement. The definition of independence in NI 58-101 is the same as the definition set out in National Instrument 52-110 — *Audit Committees*.

All members of the Board of Directors are independent within the meaning of NI 58-101 other than Mr. Leonard Jaroszuk who is the President and Chief Executive Officer of the Corporation and Desmond O’Kell who is a Senior Vice President and Corporate Secretary of the Corporation. The independent directors are currently: John Pinsent, Neil Darling and John Campbell. Generally, independent directors meet without members of management present at the beginning of each Board meeting.

Mr. Jaroszuk is the President and Chief Executive Officer of the Corporation and the Chairman of the Board. Mr. Campbell serves as the Lead Director of the Board and in that role is responsible for, among other things, acting as chair of meetings of the independent members of the Board and serving as the principal liaison between the independent directors and the Chair on matters where the Chair may be conflicted.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<b>Name of Director</b>	<b>Names of Other Issuers</b>
Leonard Jaroszuk	Samoth Oilfield Inc.
Desmond O’Kell	Samoth Oilfield Inc.
John Pinsent	None
Neil Darling	None
John Campbell	Sixty North Gold Mining Ltd.

There were five (5) regularly scheduled Board meetings held during the fiscal year ending December 31, 2018. The following is the attendance record of directors for these meetings:

<b>Director</b>	<b>Board Meetings Attended</b>
Leonard Jaroszuk	5 out of 5
Desmond O’Kell	5 out of 5
John Pinsent	5 out of 5
John Campbell	5 out of 5
Neil Darling	5 out of 5

## Board Mandate

The text of the Mandate of the Board is attached as Schedule “A” to this Information Circular.

## **Position Descriptions**

The President and Chief Executive Officer is responsible to lead and manage the Corporation within parameters established by the Board and relevant committees. The President and Chief Executive Officer also develops and recommends strategic plans to the Board and involves the Board in the early stages of developing strategy. Additionally, the President and Chief Executive Officer is expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound, effective organizational structure, including progressive employee training and development programs. The President and Chief Executive Officer's objectives are discussed and reviewed annually with the Board.

The Chairman of the Board is expected to set Board meeting schedules and agendas and oversee the process whereby the Board receives full, timely and relevant information to support the Board's decision making obligations. The Chair of each Board committee is responsible for ensuring that the written mandate of the committee for which he serves as Chair is adhered to and that the objectives of each committee are accomplished.

The Lead Director is responsible for facilitating the functioning of the Board independent of management, consulting with the Chairman on the effectiveness of Board committees, ensuring that directors have an independent leadership contact, acting as chair of meetings of the independent members of the Board and serving as the principal liaison between the Board and management.

## **Orientation and Continuing Education**

Upon appointment, new directors are given copies of the terms of reference of the Board and all Board committees and the Corporation's Code of Conduct. Existing directors provide orientation and education to new members on an informal basis. New directors are also given an opportunity to meet with senior management to discuss the Corporation's business.

No formal continuing education program exists for the directors. The Corporation encourages directors to attend continuing education seminars dealing with financial literacy, corporate governance and related matters. Each director has the responsibility for ensuring that he maintains the skills and knowledge necessary to meet his obligations as a director.

## **Ethical Business Conduct**

The Board has adopted a Code of Conduct applicable to directors, officers, employees and consultants of the Corporation. Each of these persons is given a copy of the Code of Conduct and must provide a certification of their understanding of the contents. A copy of the Code of Conduct can be found on the Corporation's website at [www.enterprisegrp.ca](http://www.enterprisegrp.ca).

Any serious breach of the provisions of the Code of Conduct is reported by senior management to the Board and reviewed and assessed for appropriate disciplinary action. The Board has delegated to management the day-to-day responsibility for monitoring compliance with and enforcing the provisions of the Code of Conduct. In cases where a director or officer has a material interest in a transaction or agreement being considered by the Board, this director or officer may not participate in any Board discussion on the subject, nor may he vote on resolutions pertaining to this subject matter.

## **Nomination of Directors**

Pursuant to its mandate, the Corporate Governance Committee is responsible for selecting nominees for election or appointment to the Board and recommends to the Board appropriate candidates. As part of the selection process the Corporate Governance Committee seeks input from the Board, management and, at times, executive search firms in respect of the desired qualifications of potential nominees.

## **Compensation**

The Compensation Committee, comprised solely of independent directors, is responsible for providing recommendations to the Board in respect of (i) compensation policies for senior management and directors of the Corporation, (ii) human resource policies and practices and (iii) incentive and perquisite plans. The Compensation Committee has the ability to engage independent compensation advice in order to fulfill its mandate. The Corporation's compensation package is comprised primarily of salary, performance bonuses and the right to participate in the Stock Option Plan. See "*Statement of Executive Compensation — Compensation Discussion and Analysis*".

## **Other Board Committees**

Other than the Corporate Governance, Audit and Compensation Committees, the Board has no other standing Committees.

## **Assessments**

As part of its mandate, the Corporate Governance Committee is responsible for reviewing annually individual director contributions and the effectiveness of the Board as a whole. The process of assessing Board effectiveness is carried on through an informal process of engagement and dialogue between the Chairman and the individual directors. The Corporate Governance Committee considers informal assessments to be appropriate given the current size of the Board. A formalized assessment process may be considered if the size of the Board is expanded.

An informal process of assessing the performance of Board committees and individual directors is conducted by way of engagement and dialogue between the Chairman, the Lead Director, the Board Committee Chairs and individual directors.

## **Term Limits**

The Board has not adopted term limits for Board members or other mechanisms of Board renewal. However, the Corporate Governance Committee has a process in place for the annual review of the performance of individual directors, the Board as a whole and the Board committees. Through this annual review process, the Corporate Governance Committee determines whether an individual director is able to continue to make an effective contribution and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or other mechanisms of Board renewal such as mandatory retirement.

## **Women on the Board and in Executive Officer Positions**

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

The Corporation has not adopted written policies relating to the identification and nomination of women directors. The Corporate Governance Committee evaluates potential nominees to the Board primarily by reviewing the qualifications of prospective nominees relative to the skills and experience that it anticipates are needed to enhance the capabilities of the Board.

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

The Governance Committee considers the skills, experience and background that would enhance the overall effectiveness of the Board and seeks candidates that are anticipated to bring those qualities to the Board. The Governance Committee recognizes the potential benefit of incorporating different perspectives into management decisions and, accordingly, an individual's diversity of gender, race, nationality, age and other attributes is considered favourably in the assessment of candidates for director positions. The Board recognizes that it would be beneficial to increase the representation of women on the Board and it has taken steps to identify and recruit candidates that are women.

### ***Consideration Given to the Representation of Women in Executive Officer Appointments***

The Board appoints executives based on merit and qualifications relevant for the specific role. It considers a broad range of skills, background and experience and an individual's diversity of gender, race, nationality, age and other attributes is considered favourably in the assessment of candidates for executive positions.

### ***Targets Regarding the Representation of Women on the Board and in Executive Officer Positions***

The Corporation has not adopted a specific target regarding the number of women on the Board and in executive officer positions as gender and the benefits of diversity are among many factors that are considered in assessing the potential contribution of a prospective director or executive officer.

### ***Number of Women on the Board and in Executive Officer Positions***

The Corporation does not currently have any women that serve on its board of directors or in executive officer positions.

## **ADDITIONAL INFORMATION**

Additional financial information is provided in the Corporation's comparative consolidated financial statements and management's discussion and analysis for the most recently completed fiscal year ended December 31, 2018. Copies of the Corporation's financial statements and related management's discussion and analysis can be obtained by contacting the Corporate Secretary of the Corporation at #2, 64 Riel Drive, St. Albert, Alberta T8N 4A4, Telephone (780) 418-4400. **Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).**

## SCHEDULE “A”

### MANDATE OF THE BOARD OF DIRECTORS OF ENTERPRISE GROUP, INC. (the “CORPORATION”)

#### Stewardship of the Corporation

1. The Board of Directors of the Corporation (the “**Board**”) is responsible for:
  - (a) the stewardship of the business and affairs of the Corporation;
  - (b) supervising the management of the business and affairs of the Corporation;
  - (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making;
  - (d) ensuring that all major issues affecting the Corporation are given proper consideration; and
  - (e) directing management to ensure legal, regulatory and stock exchange requirements applicable to the Corporation have been met.

#### Director Obligations

2. Each Director has the responsibility to:
  - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
  - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
  - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### Board Composition

3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.
4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

#### Board Meetings

5. The Board is responsible to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board.

#### Committees of the Board

6. The Board discharges its responsibilities directly and through its committees. As such the Board shall.
  - (a) establish such committees of the Board (“**Committees**”) as are required by applicable exchange requirements and as are necessary to effectively discharge the duties of the Board, which Committees shall include an audit committee (the “**Audit Committee**”);
  - (b) appoint directors to serve as members of each Committee;
  - (c) appoint a chair of each Committee to:
    - (i) provide leadership to the Committee;
    - (ii) manage the affairs of the Committee; and
    - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation;
  - (d) develop position descriptions for each Committee chair; and



- (e) regularly receive and consider reports and recommendations of each Committee, in particular, the Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit and quarterly reports.

Supervision of Management

- 7. The Board is responsible to:
  - (a) select and appoint the CEO, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management's responsibilities;
  - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance;
  - (c) determine the compensation of the CEO, and in conjunction with the CEO set the compensation of the other executive officers of the Corporation; and
  - (d) maintain a succession plan for the replacement of the CEO and executive officers.
- 8. The Board as a whole is responsible to:
  - (a) annually review and either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the "Code") and all other policies of the Corporation (collectively the "**Governance Documents**");
  - (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
    - (i) performing their duties ethically;
    - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents; and
    - (iii) fostering a culture of integrity throughout the Corporation;
  - (c) arrange, for the required Governance Documents to be publicly disclosed;
  - (d) ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its Committees; and
  - (e) provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

Communications

- 9. The Board is responsible to:
  - (a) approve and implement a communications policy which provides for disclosure and communications practices governing the Corporation; and
  - (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation (see the Corporation's **Whistleblower Policy**).

Waivers and Conflicts

- 10. The Board is responsible, for:
  - (a) reviewing departures from the Code;
  - (b) providing or denying waivers from the Code; and
  - (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:
    - (i) the date of the departure;

- (ii) the parties involved;
- (iii) the reason why the Board has or has not sanctioned the departure; and
- (iv) any measures taken to address or remedy the departure.

Strategic Planning

11. The Board has the duty to:
- (a) adopt a strategic planning process, annually approve a strategic plan for increasing shareholder value, taking into account, among other things, the opportunities and risks of the Corporation's business, and regularly monitor the Corporation's performance against its strategic plan;
  - (b) approve capital and operating budgets to implement the strategic plan;
  - (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
  - (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

Risk Management

12. The Board has the duty to:
- (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
  - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's
    - (i) disclosure controls and procedures;
    - (ii) internal control over financial reporting; and
    - (iii) management information systems.

Financial Management

13. The Board has the duty to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
    - (i) interim and annual financial statements and notes thereto;
    - (ii) managements' discussion and analysis of financial condition and results of operations;
    - (iii) relevant sections of the annual report and management information circular containing financial information;
    - (iv) forecasted financial information and forward looking statements; and
    - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
  - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

Materials

14. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Advisors

15. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.