

**SOFTCHOICE CORPORATION**  
**LONG TERM INCENTIVE PLAN**  
**FOR OFFICERS AND KEY EMPLOYEES**

**1. INTRODUCTION**

**1.1 Purpose**

The Plan has been established to attract, retain and motivate eligible officers and key employees and to promote a greater alignment of interests between these individuals and the shareholders of the Corporation.

**1.2 Definitions**

For purposes of the Plan:

- (a) "Act" means the *Securities Act* (Ontario), as amended from time to time;
- (b) "Applicable Withholding Taxes" has the meaning set forth in Section 2.7;
- (c) "Award Date" means in respect of an LTIP Award, the date upon which the LTIP Award was granted;
- (d) "Board" means the board of directors of the Corporation as constituted from time to time;
- (e) "Change of Control" means any occurrence of the following events:
  - (i) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Common Shares of the Corporation which is equal to or greater than 35% of the total issued and outstanding voting shares of the Corporation immediately after such acquisition;
  - (ii) the completion of an amalgamation, merger or other business combination involving the Corporation, whereby either (A) the shareholders of the Corporation immediately prior to such transaction own less than 50% of the voting shares of the successor corporation immediately following the transaction, or (B) a person or group of persons acting jointly or in concert has beneficial ownership or control or direction over more than 35% of the total issued and outstanding voting shares of the successor corporation immediately after the completion of such transaction;
- (f) "Common Shares" means the common shares of the Corporation.

- (g) "Committee" means the Human Resources and Corporate Governance Committee of the Board or such other committee appointed by the Board from time to time to administer compensation plans of the Corporation or, if the Board has not appointed a Committee, the Board;
- (h) "Continuously Owned Number" for an LTIP Award means the lowest number of Common Shares for which the Ownership Condition was satisfied at any time during the period from the Ownership Start Date to the end of the Performance Period, provided that the Continuously Owned Number may not be greater than the Maximum Number for such LTIP Award;
- (i) "Corporation" means Softchoice Corporation, a corporation incorporated under the laws of Canada and its successors;
- (j) "Disability" in relation to a Participant means qualification for long-term disability benefits under the long-term disability plan of the Corporation or a Subsidiary;
- (k) "Effective Date" has the meaning set forth in Section 1.4;
- (l) "Eligible Employees" means full-time key employees of the Corporation or a Subsidiary as determined by the Board or the Committee, who have entered into an employment agreement with the Corporation or a Subsidiary;
- (m) "Fair Market Value" on a particular date means the weighted average trading price per Common Share on the Toronto Stock Exchange for the five trading days immediately preceding such date during any period, if the Common Shares are then traded on the Toronto Stock Exchange, or the fair market value per Common Share on such date as determined by the Board in its sole discretion with reference to such factors or such information as the Board in its discretion deems appropriate, if the Common Shares are not then traded on the Toronto Stock Exchange;
- (n) "Forfeiture Date" means the date, as determined by the Committee, on which a Participant:
  - (i) resigns from employment with the Corporation or a Subsidiary as contemplated in Section 5.3(a), and "Forfeiture Date" in such circumstances specifically does not mean the date on which any period of notice by the Participant to the Corporation or a Subsidiary in respect of such resignation would expire;
  - (ii) is terminated for cause as contemplated in Section 5.3(b), and "Forfeiture Date" in such circumstances specifically does not mean the date on which any statutory or common law severance period or any period of reasonable notice that the Corporation or a

Subsidiary may be required at law to provide to the Participant, would expire; or

- (iii) is given notice of termination of employment by the Corporation or a Subsidiary without cause as contemplated in Section 5.3(b), and "Forfeiture Date" in such circumstance does not mean the date on which any statutory or common law severance period or any period of reasonable notice that the Corporation or a Subsidiary may be required at law to provide to the Participant, would expire;
- (o) "Going Private Transaction" means a "going-private transaction" for the purpose of the *Canada Business Corporations Act* or an acquisition of Common Shares under Section 206 of such Act;
- (p) "Involuntary Termination" means:
  - (i) any termination by the Corporation of the employment of a Participant, which is not due to death, Disability or Retirement;
  - (ii) any requirement by the Corporation that the Participant's principal office be located more than 100 kilometres away from where it was prior to a Change of Control;
  - (iii) any change in the Participant's title, reporting relationship, responsibilities or authority as in effect immediately prior to any Change of Control which adversely affects to a material degree the Participant's role in the management of the Corporation;
  - (iv) any material reduction in value of the Participant's compensation including, but not limited to, salary and any pension plan, stock option plan, investment plan, profit sharing plan, savings plan, bonus plan or life insurance, medical plans or disability plans or other employee benefit plan provided by the Corporation to and in which the Participant is participating or under which the Participant is covered, all as in effect immediately prior to any Change in Control; and
  - (v) the assignment to the Participant, following a Change of Control of any significant, ongoing duties inconsistent with the Participant's skills, position (including status, offices, titles and reporting requirements), authority, duties or responsibilities prior to the Change of Control, or any other action by the Corporation which results in substantial diminution in such position.
- (q) "LTIP Award" means a right to receive Common Shares subject to the terms and conditions of this Plan;

- (r) "LTIP Award Agreement" means an agreement substantially in the form of Schedule A hereto;
- (s) "LTIP Shares" means Common Shares held by the Plan Trustee on behalf of the Participants;
- (t) "Matching Multiple" for an LTIP Award means the number determined in accordance with the method for calculating the Matching Multiple set out in the applicable LTIP Award Agreement, which determines the number of Common Shares to which the Participant is entitled upon the vesting of the LTIP Award;
- (u) "Maximum Number" for an LTIP Award means a number of Common Shares determined by the Committee and set out in the LTIP Agreement;
- (v) "Minimum Number" for an LTIP Award means a number of Common Shares determined by the Committee and set out in the LTIP Agreement;
- (w) "Ownership Condition" of an LTIP Award means a condition to the vesting of an LTIP Award based upon the ownership of Common Shares (including the right to acquire Common Shares other than pursuant to this Plan) by the Participant, or the Participant's spouse, including for greater certainty by a registered retirement savings plan, a registered retirement income fund, 401(k) plan or similar plan of either of them, excluding the ownership of Common Shares for the purpose of satisfying the Ownership Condition for any other unvested LTIP Awards;
- (x) "Ownership Start Date" means in respect of a Participant's LTIP Award the date that is thirty days after the Award Date (excluding any date upon which the Participant is prohibited from purchasing Common Shares pursuant to the Corporation's Black-out Policy) or such other date as the Committee may determine;
- (y) "Participant" means an Eligible Employee selected by the Board to participate in the Plan in accordance with Section 3.2;
- (z) "Performance Condition" means a condition for determining the Matching Multiple for an LTIP Award that is based upon the achievement of specified performance targets for the Corporation as may be set by the Committee at the time of grant;
- (aa) "Performance Period" means a period designated by the Board in accordance with Section 4.1;
- (bb) "Plan" means the Softchoice Corporation Long Term Incentive Plan for Officers and Key Employees as contained in this document, as may be amended from time to time;

- (cc) "Plan Administrator" means the third party service provider, if any, retained from time to time by the Corporation to perform certain of the administrative functions of the Plan, as delegated by the Committee pursuant to section 2.3;
- (dd) "Plan Limit" has the meaning set forth in Section 3.5;
- (ee) "Plan Trustee" means the trust company from time to time selected by the Corporation to serve as trustee under the Trust Agreement;
- (ff) "Retirement" means the retirement of a Participant from the employ of the Corporation and any Subsidiary whereupon the Participant does not take up full-time employment with any other employer so long as the Participant is the holder of LTIP Awards;
- (gg) "Subsidiary" means a subsidiary of the Corporation within the meaning of the Act;
- (hh) "Take-over Bid" shall have the meaning ascribed thereto in the Act;
- (ii) "Transfer Form" means the transfer form substantially in the form attached hereto as Schedule B; and
- (jj) "Trust Agreement" means the trust agreement referred to in Section 6.2 and entered into by the Corporation and the Plan Trustee on behalf of the Participants.

### **1.3 Interpretation**

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in the Plan are for convenience and reference only and shall not be deemed to alter or affect any provision hereof.

### **1.4 Effective Date of the Plan**

The effective date of the Plan shall be March 1, 2007 (the "Effective Date"). The Board shall review and confirm the terms of the Plan from time to time.

## **2. PLAN ADMINISTRATION**

### **2.1 Administration of the Plan**

Except for matters that are under the jurisdiction of the Board as specified by the Plan or as required by law, the Plan shall be administered by the Committee.

## **2.2 Authority of the Committee**

Subject to Section 2.3, the Committee shall, by majority action, have the full power to administer the Plan, including, but not limited to the authority to:

- (a) grant LTIP Awards, including determining the Participants in the Plan;
- (b) determine the terms of each LTIP Award, including the Maximum Number, the Minimum Number, the Performance Conditions and the method of calculating the Matching Multiple;
- (c) interpret and construe any provision of the Plan and decide all questions of fact arising in its interpretation and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;
- (d) correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent deemed necessary or desirable;
- (e) establish, amend, and rescind any rules and regulations relating to the Plan, and make such determinations as it deems necessary in order to comply with the requirements of the Plan, or to conform to any law or regulation or to any change in any laws or regulations applicable thereto or for the administration of the Plan;
- (f) take any and all actions permitted by the Plan; and
- (g) determine whether Retirement of a Participant has occurred or ceased to occur;
- (h) make any other determinations and take such other action in connection with the administration of the Plan that it deems necessary or advisable.

## **2.3 Delegation of Authority**

The Committee may delegate to appropriate officers of the Corporation and/or a Plan Administrator the whole or any part of the administration of the Plan and shall determine the scope of such delegation in its sole discretion.

## **2.4 Discretionary Relief**

The Board or the Committee may, at its sole discretion, (i) waive any condition of the Plan, (ii) satisfy any award that would otherwise require the issuance or delivery of Common Shares by the payment of an equivalent cash payment (equivalence being determined on a before tax basis), if specific individual circumstances warrant such waiver or payment, or (iii) permit all or a specified portion of unvested LTIP Awards to vest immediately and cause the Corporation to issue Common Shares or to instruct the

Plan Trustee to deliver Common Shares to such Participants in accordance with Section 5.2.

## **2.5 Amendment, Suspension, or Termination of Plan**

- (a) Subject to subsection (c), the Board may from time to time amend or suspend the Plan in whole or in part and may at any time terminate the Plan without prior notice. However, no such amendment, suspension, or termination shall be made if it would adversely affect the existing rights of a Participant under the Plan without the consent in writing of the affected Participant(s).
- (b) If the Board terminates or suspends the Plan no further awards will be made to Participants in the form of LTIP Awards.
- (c) Notwithstanding subsection (a), the Board may not amend the Plan without the approval of shareholders as evidenced by an ordinary resolution of the shareholders passed at a meeting duly called and held for that purpose to:
  - (i) increase the Plan Limit;
  - (ii) change the category of individual eligible to be a Participant in the Plan;
  - (iii) change the method of calculation of the number of Common Shares issuable or deliverable to Participants in connection with any outstanding LTIP Award;
  - (iv) change the term of any outstanding LTIP Award; and
  - (v) make a change to the Plan which would permit the aggregate of Common Shares either:
    - (A) issued to insiders of the Corporation within any one year period; or
    - (B) issuable to insiders of the Corporation at any timeunder the Plan and all of the Corporation's other security-based compensation arrangements to exceed 10% of the Corporation's total issued and outstanding Common Shares;
  - (vi) amend this Section 2.5.

## **2.6 Final Determination**

- (a) Any determination or decision by, or opinion of, the Board, the Committee, a Plan Administrator or an officer of the Corporation to whom any part of the administration of the Plan has been delegated that has been made or held pursuant to the terms of the Plan shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Participants, and their beneficiaries and legal representatives.
- (b) Subject to Section 2.4, all rights, entitlements and obligations of Participants under the Plan are set forth in the terms of the Plan and the LTIP Award Agreements and cannot be modified by any other documents, statements or communications, except by Plan amendments referred to in Section 2.5.

## **2.7 Taxes and Other Source Deductions**

The Corporation shall deduct and withhold from any amount paid or credited hereunder an amount sufficient to satisfy all withholding tax and other source deduction requirements (the "Applicable Withholding Taxes").

## **2.8 Information**

Each Participant shall provide the Corporation with all information (including personal information) it requires in order to administer the Plan or comply with applicable law. The Corporation may from time to time transfer or provide access to such information to a third party service provider for purposes of the administration of the Plan.

## **2.9 Indemnification**

Each member of the Board or Committee is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

# **3. PARTICIPATION AND LIMITS**

## **3.1 Participation**

The Board in its sole discretion, shall designate which Eligible Employees will participate in the Plan in respect of each Performance Period designated under the Plan, but shall select only Eligible Employees who are not on Disability.



### **3.2 LTIP Award Agreement**

Upon the grant of an LTIP Award to a Participant, the Corporation shall deliver to the Participant an executed LTIP Award Agreement setting out the details of the LTIP Awards as provided in Section 4.2. The Participant shall sign and deliver the LTIP Award Agreement to the Secretary of the Corporation at its head office in Toronto, Ontario within the time period specified by the Committee. If the LTIP Award Agreement is not so delivered within the time specified, the Corporation reserves the right to revoke the LTIP Awards.

### **3.3 Participant's Agreement to be Bound**

Participation in the Plan by any Participant shall be construed as acceptance by the Participant of the terms and conditions of the Plan and all rules and procedures adopted hereunder and as amended from time to time.

### **3.4 Ownership Condition**

The Corporation may require the Participant to sign a certificate verifying the number of Common Shares with respect to which the Participant has satisfied the Ownership Condition from the Ownership Start Date to the date of the certificate as of the Ownership Start Date, on an annual basis and as at the end of the Performance Period. The Corporation may request such other verification of the satisfaction of the Ownership Condition at any time during the Performance Period as it may, in its sole discretion, determine.

### **3.5 Common Shares Reserved**

The maximum number of Common Shares which may be issued by the Corporation from its treasury pursuant to LTIP Awards granted under this Plan is 1,720,000 Common Shares or such additional amount as may be approved by the shareholders of the Corporation, less the total of:

- (a) the aggregate number of Common Shares that are, from time to time, subject to issuance under outstanding rights that have been issued by the Corporation under any other share compensation arrangement, including outstanding Deferred Share Units under the Deferred Share Unit Plan for Directors; and
- (b) the aggregate number of Common Shares that, subsequent to the Effective Date, are issued by the Corporation pursuant to a right granted under this Plan or any other share compensation arrangements,

subject to adjustment under Section 5 (the "Plan Limit").

For greater certainty, if a right to acquire Common Shares under this Plan or any other share compensation arrangement expires unexercised or is otherwise cancelled prior to such right resulting in the issuance of Common Shares or if such rights result in the

delivery of Common Shares that were purchased in the market, then the Common Shares that were issuable thereunder will be added back into the aggregate number of Common Shares that may be, from time to time, made subject to issuance under a right granted under this Plan or any other share compensation arrangement.

### **3.6 Securityholder Approval**

Notwithstanding any other provision of this Plan, the Corporation may not issue any Common Shares under this Plan until this Plan has been approved by securityholders as required by the provisions of the Toronto Stock Exchange Company Manual.

## **4. GRANT OF LTIP AWARDS**

### **4.1 Grant of LTIP Awards**

The Committee may grant LTIP Awards to an Eligible Employee at any time and from time to time. At the time of the grant, the Committee shall determine with respect to each LTIP Award the Performance Period, the Maximum Number, the Minimum Number, the Performance Conditions and the method for calculating the Matching Multiple (both at the end of the Performance Period and in the circumstances referred to in Section 5.6). The terms of the LTIP Awards need not be the same for each Participant whether granted at the same time or not.

### **4.2 LTIP Award Agreement**

When granted, an LTIP Award will be evidenced by, and subject to the terms of, an LTIP Award Agreement. The LTIP Award Agreement shall set out the Award Date, the expected Ownership Start Date, the Performance Period, the Maximum Number, the Minimum Number, the Performance Conditions and the method for calculating the Matching Multiple.

### **4.3 Adjustments**

If there is during a Performance Period:

- (a) any increase or decrease in the number of outstanding Common Shares, whether by reason of a stock dividend of Common Shares or a consolidation, subdivision, reclassification, recapitalization, or otherwise; or
- (b) any reorganization, consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities (other than a Going Private Transaction);

an appropriate adjustment shall be made to the Plan Limit and to the number of Common Shares in respect of each LTIP Award then outstanding as the Board may in its discretion deem appropriate in order to prevent the dilution or enlargement of the benefits or

potential benefits intended to be made available under the Plan in respect of such LTIP Award, and such adjustments shall be effective and binding for all purposes of the Plan.

#### **4.4 Statements of LTIP Awards**

Information pertaining to the LTIP Awards of each Participant will be made available to such Participant at least annually in such manner as the Committee may determine and shall include such matters as the Committee may determine from time to time or as otherwise may be required by law.

#### **4.5 Ownership at the Ownership Start Date**

If a Participant who is granted an LTIP Award does not satisfy the Ownership Condition for at least the Minimum Number of Common Shares on the Ownership Start Date, then such LTIP Award shall be cancelled and be deemed never to have been granted and the Participant shall have no rights with respect to such LTIP Award.

### **5. VESTING AND PAYMENT**

#### **5.1 Vesting**

- (a) Except as specifically provided for in this Plan, no Participant shall be entitled to any benefit in respect of an LTIP Award that is not vested.
- (b) Subject to the provisions of this Plan and any requirements of any competent governmental or regulatory authority, vesting of LTIP Awards for a Performance Period shall occur on the last day of the Performance Period, subject to the satisfaction of any Performance Condition, Ownership Condition or other terms and conditions for vesting prescribed by the Committee, in its sole discretion and specified in the Participant's LTIP Award Agreement.
- (c) Upon issuance or delivery of Common Shares to a Participant in accordance with this Article 5, the LTIP Awards upon which such payment was based shall be cancelled and no further delivery of Common Shares or other payments shall be made under the Plan in respect of such LTIP Awards.

#### **5.2 Payments on Vesting**

- (a) Upon the vesting of a Participant's LTIP Award, the Participant shall be entitled to receive that number of Common Shares equal to the Continuously Owned Number multiplied by the Matching Multiple. No fractional Common Shares will be issued or delivered to any Participant upon the vesting of an LTIP Award. If any fractional interest in a Common Share would, except for the provisions of the previous sentence, be issuable or deliverable to a Participant upon completion of the

Performance Period, the number of Common Shares to be issued or delivered shall be rounded down to the next lower whole number.

- (b) Subject to subsection 5.2(c), upon such vesting, the Corporation shall at its option either (i) issue Common Shares to such Participant, (ii) direct the Plan Trustee to deliver the number of LTIP Shares to which such Participant is entitled, or (iii) do a combination thereof, in each case as soon as reasonably practicable following the completion of the Performance Period in accordance with the directions of the Participant, which shall be provided to the Plan Trustee in the Transfer Form.
- (c) If satisfaction of the Performance Conditions or other vesting criteria with respect to any LTIP Awards cannot be determined at the end of the Performance Period, the Corporation may delay issuing the Common Shares and/or providing the direction to the Plan Trustee referred to in subsection 5.2(b) until such time as such Performance Conditions or other vesting criteria have been finally determined, but in no event later than 2.5 months after the expiry of the Performance Period.

### **5.3 Resignation or Termination**

- (a) If a Participant resigns from employment with the Corporation or a Subsidiary (other than an Involuntary Termination following a Change of Control or Retirement or as a result of Disability), the Participant shall, effective on the relevant Forfeiture Date, cease to be a Participant (except as to vested LTIP Awards) and an Eligible Employee, and the former Participant shall forfeit all rights in respect of all unvested LTIP Awards. All such unvested LTIP Awards shall be cancelled effective at the commencement of the day on the relevant Forfeiture Date and no Common Shares shall be issued or delivered and no payments shall be made to the former Participant in relation to such LTIP Awards under the Plan. Nothing in this subsection shall be construed to affect such former Participant's rights with respect to any vested LTIP Awards.
- (b) If the employment of a Participant with the Corporation or a Subsidiary is terminated for cause (other than an Involuntary Termination following a Change of Control), the Participant shall, effective on the relevant Forfeiture Date, cease to be a Participant and an Eligible Employee, and the former Participant shall forfeit all rights in respect of the Participant's LTIP Awards, whether vested or unvested. All such LTIP Awards shall be cancelled effective at the commencement of the day on the relevant Forfeiture Date and no Common Shares shall be issued or delivered and no payments shall be made to the former Participant in relation to such forfeited LTIP Awards under the Plan.
- (c) If the employment of a Participant with the Corporation or a Subsidiary is terminated without cause (other than an Involuntary Termination

following a Change of Control), the Participant shall, unless the Board in its sole discretion decides otherwise, effective on the relevant Forfeiture Date, cease to be a Participant (except as to vested LTIP Awards) and an Eligible Employee, and the former Participant shall forfeit all rights in respect of all unvested LTIP Awards. All such unvested LTIP Awards shall be cancelled effective on the relevant Forfeiture Date and no Common Shares shall be issued or delivered and no payments shall be made to the former Participant in relation to such LTIP Awards under the Plan. Nothing in this subsection shall be construed to affect such former Participant's rights with respect to any vested LTIP Awards.

- (d) If the employment of a Participant with the Corporation or a Subsidiary terminates as a result of an Involuntary Termination following a Change of Control (i) the Participant shall be entitled to the full benefits of all vested LTIP Awards pursuant to Section 5.2 and (ii) have all unvested LTIP Awards will vest effective upon the date of the Involuntary Termination and the Corporation shall issue or cause to be delivered to such Participant that number of Common Shares equal to

$$\text{CON} \times \text{EMM} \times \text{DIT/PP}$$

where CON means the Continuously Owned Number

EMM means the estimated Matching Multiple used for the purposes of the latest annual or quarterly financial statements of the Corporation

DIT means the number of days from the beginning of the Performance Period to the date of the Involuntary Termination of the Participant, and

PP means the number of days in the Performance Period.

#### 5.4 **Death**

- (a) If a Participant dies before all or a portion of such Participant's LTIP Awards have vested, all such unvested LTIP Awards will vest effective on the date of death. Upon receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant, the Corporation shall issue or cause to be delivered to or as directed by such legal representative that number of Common Shares equal to

$$\text{CON} \times \text{EMM} \times \text{DD/PP}$$

where CON means the Continuously Owned Number

EMM means the estimated Matching Multiple used for the purposes of the latest annual or quarterly financial statements of the Corporation

- DD means the number of days from the beginning of the Performance Period to the date of the death of the Participant, and
- PP means the number of days in the Performance Period.

- (b) Upon such payment to or as directed by the legal representative, the LTIP Awards upon which such payment was based shall be cancelled and no more Common Shares shall be issued or delivered and no further payments shall be made from the Plan to the deceased former Participant's estate.

## **5.5 Retirement and Disability**

If a Participant ceases to be an officer or employee of the Corporation or a Subsidiary due to Retirement or Disability, such Participant shall continue to be entitled to all rights and benefits with respect to such Participant's LTIP Awards as if he or she remains fully employed by the Corporation or a Subsidiary but shall not be entitled to further LTIP Awards during the period of such Retirement or Disability.

## **5.6 Shareholder Liquidity Event**

If at any time during a Performance Period, if the Corporation undergoes a Going Private Transaction, the unvested LTIP Awards shall vest immediately and the Corporation shall make a lump sum payment in cash, less any Applicable Withholding Taxes, to each Participant equal to the number of Common Shares determined in accordance with the LTIP Award Agreement multiplied by the value of the consideration per Common Shares offered in the Take-over Bid or received by a holder of Common Shares in the Going Private Transaction.

## **5.7 Applicable Withholding Taxes**

- (a) Subject to this section, the Corporation shall, or the Plan Trustee shall upon the direction of the Corporation, deduct any Applicable Withholding Taxes from any payment of any kind otherwise due to a Participant.
- (b) If the Corporation issues Common Shares to a Participant pursuant to the Participant's entitlement under his or her LTIP Awards, the Participant will be solely responsible for paying to the Corporation any Applicable Withholding Taxes and payment is to be made in a manner satisfactory to the Corporation. Notwithstanding the foregoing, the Corporation may deliver, to the broker of the Participant in accordance with the Participant's direction, Common Shares in connection with which Applicable Withholding Taxes would arise, if the Participant has issued irrevocable instructions to the Participant's broker (i) to sell a sufficient number of such Common Shares to raise proceeds at least equal to the amount of the Applicable Withholding Taxes, and (ii) to pay an amount from such proceeds equal to the Applicable Withholding Taxes to the Corporation.

- (c) Unless the Participant has paid the Applicable Withholding Taxes to the Corporation, where the Corporation has directed the Plan Trustee to deliver DSU Shares to the Participant, the Plan Trustee may sell such number of LTIP Shares as required to pay the Applicable Withholding Taxes from the net proceeds of such sale and deliver the amount of such Applicable Withholding Taxes to the Corporation.

## **6. THE PLAN TRUSTEE**

### **6.1 Appointment**

If the Corporation wishes to cause Common Shares to be delivered to a Participant pursuant to its obligations under Article 5, other than by the issuance of Common Shares from treasury, it must first appoint a Plan Trustee. The Plan Trustee will have such rights, powers and authorities as are set forth in the Trust Agreement as it may be amended from time to time. The Committee will have the power to remove the Plan Trustee and appoint a new Plan Trustee. The Plan Trustee must be a trust company duly qualified to act in the Province of Ontario.

### **6.2 Trust Agreement**

Upon the appointment of a Plan Trustee, the Corporation will enter into a Trust Agreement with the Plan Trustee to provide for the receiving, holding, investing and disbursing of cash amounts and Common Shares for the benefit of Participants (together, at the option of the Corporation, with the participants of any other share compensation arrangement of the Corporation). All rights or benefits which may enure to any Participant under the Plan will be subject to the terms and provisions of the Trust Agreement. The Trust Agreement will be subject to amendments and modifications in accordance with the provisions of the Plan and the Trust Agreement.

### **6.3 Remittance to the Plan Trustee**

The Corporation shall direct the Plan Trustee to purchase such number of Common Shares from time to time as the Committee may determine. The Corporation shall deposit with the Plan Trustee sufficient cash to pay for such Common Shares, including the brokerage commissions and other costs associated with such purchases. The Plan Trustee shall purchase the number of Common Shares as instructed by the Corporation. The Plan Trustee shall purchase such Common Shares at such time in the market as it may in its discretion determine. However, at no time may the Plan Trustee purchase Common Shares during a "blackout period" under the Black Out Policy of the Corporation.

### **6.4 Delivery of Shares**

The Plan Trustee shall deliver such number of LTIP Shares in accordance with the directions of the Participants entitled thereto under the Plan when so directed by the Corporation. The directions of the Participants shall be provided to the Plan Trustee in the Transfer Form.

## **6.5 Hedging Arrangements**

Notwithstanding any provision of the Plan, the Plan Trustee in accordance with instructions from the Committee, may enter into hedging arrangements or similar transactions to provide Common Shares to satisfy the vesting terms of the LTIP Awards.

## **6.6 Forfeited LTIP Shares**

The treatment of any unvested LTIP Shares that are forfeited in accordance with Article 5.3, 5.4 or 5.6 or are not required to be delivered to satisfy vested LTIP Awards at the end of a Performance Period will be at the sole discretion of the Committee. The Committee may determine that such LTIP Shares: (i) be retained by the Plan Trustee and used to support future LTIP Awards granted under this Plan (or at the option of the Corporation, for the participants of any other share corporation arrangement of the Corporation); (ii) be sold by the Plan Trustee and the net cash be paid to the Corporation if the Corporation is in receipt of an opinion of nationally recognized legal counsel that the payment to the Corporation satisfied applicable securities, corporate and regulatory requirements; or (iii) be transferred to the Corporation for cancellation, if the Corporation is in receipt of an opinion of nationally recognized legal counsel that the LTIP Shares transferred to the Corporation satisfies applicable securities, corporate and regulatory requirements.

## **6.7 Expenses**

Except as otherwise specifically provided herein, all compensation and expenses of the Plan Trustee will be paid by the Corporation.

## **6.8 Plan Trustee's Consent**

No amendment, change or modification will be made to this Plan that would alter the duties or powers of the Plan Trustee, without the Plan Trustee's consent.

# **7. GENERAL**

## **7.1 No Shareholder Rights**

Under no circumstances shall LTIP Awards be considered Common Shares or other securities of the Corporation nor shall they entitle any Participant to receive dividends, or to exercise voting rights or any other rights attaching to the ownership of Common Shares or other securities of the Corporation, nor shall any Participant be considered the owner of Common Shares by virtue of the award of LTIP Awards.

## **7.2 Reorganization of the Corporation**

The existence of any LTIP Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the capital structure of the Corporation or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or



the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **7.3 General Restrictions and Assignment**

- (a) The granting by the Corporation of LTIP Awards and the obligation to issue or deliver Common Shares or make payments in accordance with the Plan are subject to compliance with applicable law.
- (b) Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant, other than by testamentary disposition or in accordance with the laws governing the devolution of property in the event of death.
- (c) Subject to any limitations, restrictions and exemptions provided under the terms of the Plan and any applicable law, the obligations of the Corporation to Participants under the Plan with respect to vested and unvested LTIP Awards in respect of a Performance Period shall be binding on all successors and assigns of the Corporation.

### **7.4 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Corporation makes no representations or warranties to Participants with respect to the Plan or the LTIP Awards whatsoever. Participants are expressly advised that the value of any LTIP Awards in the Plan will fluctuate as the trading price of Common Shares fluctuates.

In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Common Shares and all other risks associated with participation in the Plan.

### **7.5 No Rights to Employment**

- (a) Nothing in this Plan or in the opportunity to participate in this Plan shall confer upon any Participant any right to continued employment with the Corporation or a Subsidiary nor shall interfere in any way with the right of the Corporation or a Subsidiary, as applicable, to terminate the Participant's employment at any time.
- (b) Nothing in this Plan or the Participant's opportunity to participate in this Plan shall be construed to provide the Participant with any rights

whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation or the right to participate in this Plan upon the termination of the Participant's employment for any reason whatsoever.

- (c) A Participant shall not be entitled to any right to participate or to continue to participate in this Plan or to compensation or damages in lieu of participation or the right to participate in the Plan in consequence of the termination of his employment with the Corporation or a Subsidiary or otherwise, including, without limitation, any breach of contract by the Corporation or a Subsidiary, as applicable, or in consequence of any other circumstances whatsoever.

#### **7.6 Unfunded and Unsecured Plan**

The Corporation shall ensure that the Plan Trustee shall have, at the time that it is required to direct the Plan Trustee to deliver LTIP Shares, a sufficient number of LTIP Shares to fulfil the Corporation's directions. Subject to the foregoing, neither the Corporation nor any of the Subsidiaries will have any obligation to secure the Corporation's obligations under the Plan or to ensure that the Plan Trustee holds any, or a sufficient number of, LTIP Shares, prior to such time. To the extent any Participant or his estate holds rights by virtue of an LTIP Award under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

#### **7.7 Governing Law**

The Plan and the issuance and granting of LTIP Awards hereunder shall be governed by, and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **7.8 Currency**

Unless otherwise determined by the Board in its sole discretion, all amounts paid or values to be determined under the Plan shall be in Canadian dollars.

#### **7.9 Severability**

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

Approved by the Board of Directors on April 4, 2007 with effect from March 1, 2007.

## **SCHEDULE A**

### **LTIP Award Agreement**

This LTIP Award Agreement is entered into between Softchoice Corporation (the "Corporation"), a corporation incorporated under the Canada Business Corporations Act, and the individual named below (the "Participant") pursuant to the Corporation's Long Term Incentive Plan for Officers and Key Employees (the "Plan") and it is agreed by and between the parties hereto as follows:

1. All capitalized terms used herein shall have the meanings attributed to such terms in the Plan.
2. Subject to the terms and conditions herein and contained in the Plan, the Corporation hereby grants to the Participant an LTIP Award that will entitle the Participant at the end of the Performance Period to receive that number of Common Shares equal to the lowest number of Common Shares owned by the Participant at any time during the period from the Ownership Start Date to the end of the Performance Period (provided that such number may not exceed the Maximum Number (shown below)) multiplied by the Matching Multiple. For this purpose Common Shares will be considered to be owned by the Partnership if Common Shares (including the right to acquire Common Shares other than pursuant to the Plan) are owned by the Participant, or the Participant's spouse, including for greater certainty by a registered retirement savings plan, a registered retirement income fund, 401(k) plan or similar plan of either of them, excluding the ownership of Common Shares for the purpose of satisfying the Ownership Condition for all other unvested LTIP Awards. This grant is conditional upon the Participant owning the Minimum Number (shown below) of Common Shares on the Ownership Start Date.
3. The following terms shall apply to the LTIP Awards granted under this LTIP Award Agreement:
  - (a) the Award Date is \_\_\_\_\_;
  - (b) the Ownership Start Date is the date that is thirty days after the Award Date (excluding any date upon which the Participant is prohibited from purchasing Common Shares pursuant to the Corporation's Black-out Policy), which is expected to be \_\_\_\_\_;
  - (c) the Performance Period commenced on \_\_\_\_\_ and shall end on \_\_\_\_\_;
  - (d) the Maximum Number is \_\_\_\_\_; and
  - (e) the Minimum Number is \_\_\_\_\_.
4. The Matching Multiple will be determined in accordance with Exhibit A hereto.

5. By execution of this LTIP Award Agreement and acceptance of the LTIP Awards hereby granted, the Participant hereby certifies to the Corporation that the Participant:
- (a) has received, reviewed and understands the Plan;
  - (b) was not induced to participate in the Plan by expectation of continued employment with the Corporation or its subsidiaries;
  - (c) agrees to be bound by the terms and conditions of the Plan and this LTIP Award Agreement, as the same may be amended, modified, terminated or otherwise changed in whole or in part pursuant to the terms of the Plan; and
  - (d) agrees to provide such evidence of satisfaction of the Ownership Condition as the Corporation may reasonably request.

In the event of any disagreement or inconsistency between the terms of this LTIP Award Agreement and the terms of the Plan, the terms of the Plan shall govern.

IN WITNESS WHEREOF this LTIP Award Agreement has been executed by the parties hereto as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**SOFTCHOICE CORPORATION**

By: \_\_\_\_\_

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant (please print clearly)

If you fail to complete and return this LTIP Award Agreement <i>to the Secretary of the Corporation at its head office in Toronto, Ontario on or before</i> ●, the Corporation reserves the right to revoke the crediting of LTIP Awards to you.
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**SCHEDULE B**  
**LONG TERM INCENTIVE PLAN**  
**FOR OFFICERS AND KEY EMPLOYEES**  
**TRANSFER FORM**

TO: **SOFTCHOICE CORPORATION**

AND TO: **[INSERT NAME OF THE TRUSTEE, IF APPLICABLE]** (the  
"Trustee")

I, \_\_\_\_\_, a Participant in the Corporation's Long Term Incentive Plan, hereby give notice that

*(Check applicable section and complete)*

- ☐ I HEREBY INSTRUCT THE CORPORATION AND/OR THE TRUSTEE to ISSUE AND/OR DELIVER \_\_\_\_\_ Common Shares to which I am entitled under the Plan to my designated broker named below:

\_\_\_\_\_  
insert name and contact information including phone number of designated broker

\_\_\_\_\_  
insert Brokerage Account Name and Number

- ☐ I HEREBY INSTRUCT THE CORPORATION AND/OR THE TRUSTEE to ISSUE AND/OR DELIVER \_\_\_\_\_ Common Shares to which I am entitled under the Plan to me as directed below:

\_\_\_\_\_  
insert registration instructions

\_\_\_\_\_  
insert delivery instructions

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

*All capitalized terms used but not defined in this Transfer Form have the meanings set out in the Long Term Incentive Plan for Offerees and Key Employees of the Corporation.*