

NIGHTINGALE INFORMATIX CORPORATION

Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting (the "**Meeting**") of shareholders of Nightingale Informatix Corporation (the "**Corporation**") will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada on September 20, 2011 at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation (the "**Financial Statements**") for the year ended March 31, 2011, together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors and to authorize the directors to fix their remuneration;
4. to consider, and if thought advisable, to pass with or without amendment, a resolution ratifying the Corporation's stock option plan as more fully described in the Circular (defined below); and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the management proxy circular (the "**Circular**") accompanying this notice.

The Corporation's Financial Statements are available upon request from the Corporation's secretary and are available at www.sedar.com.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

Proxies to be used at the Meeting must be deposited with the Corporation, c/o Canadian Stock Transfer Company Inc., Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or via facsimile at: 1-866-781-3111 (North America only) or 416-368-2502 prior to 5:00 p.m. (Toronto time) on September 16, 2011, or prior to 5:00 p.m. on the second last business day preceding the date of the Meeting or any adjournment thereof, or with the chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company, the transfer agent of the Corporation.

DATED at Markham, Ontario this 24th day of August, 2011.

By Order of the Board of Directors

(signed) "Michael Ford"

Michael Ford
Chief Financial Officer and Secretary

NIGHTINGALE INFORMATIX CORPORATION

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This management proxy circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Nightingale Informatix Corporation ("**Nightingale**" or the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of the Corporation to be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada on September 20, 2011 at 4:30 p.m. (Toronto time), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the "**Notice of Meeting**"). The solicitation will be primarily by mail but may also be solicited by telephone, electronic means of communication or in writing by directors, officers or designated agents of the Corporation. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of August 24, 2011, unless otherwise indicated.

RECORD DATE

The board of directors of the Corporation (the "**Board of Directors**") has fixed the close of business on August 15, 2011, as the record date for the purpose of determining Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Each Shareholder is entitled to one vote for each common share in the capital of the Corporation (each a "**Common Share**" and collectively, the "**Common Shares**") held and shown as registered in such holder's name on the list of Shareholders prepared as of the close of business on the record date. The list of Shareholders will be available for inspection during usual business hours at the principal offices of Canadian Stock Transfer Company Inc., 600 the Dome Tower, 333-7th Avenue SW, Calgary, Alberta T2P 2Z1, and will also be available for inspection at the Meeting. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company, the transfer agent of the Corporation.

PROXY INSTRUCTIONS

Shareholders who are unable to attend the Meeting and vote in person may still vote by appointing a proxyholder.

The persons specified in the enclosed form of proxy are directors and/or officers of the Corporation.

A Shareholder has the right to appoint a person or company, who need not be a Shareholder, to represent such Shareholder at the Meeting or any adjournment thereof other than the persons specified in the enclosed form of proxy. Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. For Shareholders who wish to appoint a proxyholder, the completed form of proxy must be mailed in the enclosed envelope and received by Canadian Stock Transfer Company Inc. at the address on the proxy envelope provided prior to 5:00 p.m. (Toronto time) on the second last business day preceding the date of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting at any time prior to the commencement of the Meeting, or any adjournment thereof.

Enquiries regarding proxy forms can be made by Shareholders to Canadian Stock Transfer Company Inc., 600 the Dome Tower, 333-7th Avenue SW, Calgary, Alberta T2P 2Z1, or by telephone at 1-800-387-0825 or 403-232-2413.

Only registered holders of Common Shares or the persons they 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 Holder**") 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 RRSP's, RRIF's, RESP's and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the

Corporation has distributed copies of the Notice of Meeting, this Circular, and the enclosed form of proxy (collectively, the "**meeting materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived their right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. A Non-Registered Holder who has not waived the right to receive meeting materials will receive from their Intermediary a voting instruction form which must be completed and signed by the Non-Registered Holder and returned in accordance with the directions of the Intermediary. The purpose of this procedure is to permit the Non-Registered Holder to direct the voting of the Common Shares beneficially owned by such person.

Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder should write his, her or its name in the space provided for that purpose on the voting instruction form and return it in accordance with the directions of the Intermediary. The Intermediary will send the Non-Registered Holder a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder and which names the Non-Registered Holder as proxyholder. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder should deposit this form of proxy with Canadian Stock Transfer Company Inc. in accordance with the instructions set out above.

Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the voting instruction form or form of proxy is to be delivered.

VOTING OF PROXIES

The enclosed form of proxy will be voted or withheld from voting with respect to the Common Shares represented thereby in accordance with the instructions of the Shareholder as indicated on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly or on any ballot that may be called for at the Meeting or any adjournment thereof. **In the absence of any specific instructions with respect to a particular matter, the Common Shares represented by such proxies will be voted at the Meeting or any adjournment thereof or on any ballot that may be called for, in accordance with the best judgment of the person or persons voting such proxies.**

The enclosed form of proxy, when properly signed, confers discretionary authority upon the representatives designated therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation does not know of any such amendments, variations or other matters. However, if any such amendments, variations or other matters which are not now known to management of the Corporation should properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

REVOCATION OF PROXIES

A registered holder of Common Shares who has given a proxy may revoke the proxy (a) by completing and signing a proxy bearing a later date and depositing it as aforesaid, or (b) by depositing an instrument in writing executed by such registered holder or by his, her or its attorney authorized in writing (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof, or (c) in any other manner permitted by law.

A Non-Registered Holder who wishes to revoke a voting instruction form or a waiver of the right to receive meeting materials should contact his, her or its Intermediary for instructions.

VOTING SHARES AND PRINCIPAL HOLDERS

As of the close of business on August 15, 2011, there were 76,310,915 Common Shares outstanding. Each holder of Common Shares of record at the close of business on August 15, 2011, the record date established for notice of and voting at the Meeting, will be entitled to one vote for each Common Share on all matters proposed to come before the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at August 24, 2011 the only persons or companies who beneficially own, directly or indirectly, or who exercises control or direction, over voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation are as follows. The table presented below is based on information furnished by Messrs. Chebib, Frumberg and Schachter, respectively:

<u>Name</u>	<u>Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Sam Chebib ^{(1) (2)}	11,018,183	14.4%
Charles Frumberg ⁽³⁾	11,929,000	15.6%
Brian Schachter ⁽⁴⁾	14,769,447	19.4%

- (1) Of these Common Shares, 396,218 are owned by Mr. Chebib's spouse and 1,919,638 are owned by the Chebib Family Trust, the beneficiaries of which are the members of Mr. Chebib's immediate family. Mr. Chebib is the President, Chief Executive Officer and a director of the Corporation.
- (2) In addition to the Common Shares noted above, Mr. Chebib owns convertible unsecured debentures in the principal amount of \$500,000. The debentures are convertible into shares of fully-paid Common Shares at a conversion price of \$0.35. If the debenture shares were converted into Common Shares as of August 24, 2011, Mr. Chebib's ownership percentage would increase to 12,446,754 Common Shares, or 16.3% of outstanding Common Shares.
- (3) Mr. Frumberg has shared control and beneficial ownership of these Common Shares through Emancipation Capital Master Ltd., a private investment company. Mr. Frumberg is a director of the Corporation.
- (4) Of these Common Shares, 1,813,947 are owned by Frank Schachter Sales Ltd. Mr. Schachter is President and Chief Executive Officer of Frank Schachter Sales Ltd.

MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the fiscal year ended March 31, 2011 and the report of the auditors thereon can be found on SEDAR at www.sedar.com and are also found in the Corporation's annual report to Shareholders for the fiscal year ended March 31, 2011, which accompanies this Circular for registered shareholders and will be submitted at the Meeting. No vote will be taken on the financial statements.

Election of Directors

The number of directors of the Corporation to be elected at the Meeting is six.

The following table lists certain information concerning the persons proposed to be nominated for election as directors. The Corporation is required to have an Audit Committee. The Corporation also has a Compensation Committee and a Nominating/Corporate Governance Committee. Proxies received in favour of management nominees, will, unless required to be withheld from voting, be voted to elect as directors of the Corporation those persons noted in the below table.

<u>Name</u>	<u>Position with Corporation or Principal Occupation or Business</u>	<u>Director Since</u>	<u>Common Shares Beneficially Owned or Controlled ⁽⁸⁾</u>	<u>State or Province and Country of Residence</u>
David H. Atkins ⁽¹⁾	Chairman, Omega Insurance Holdings Inc.	August, 2005	10,000	ON, Canada
David Banks	Managing Partner, Carlyle Banks & Co. Inc.	September, 2006	1,907,364	ON, Canada
Sam Chebib ^{(M) (2) (3)}	President, CEO and director of the Corporation	August, 2005	11,018,183	ON, Canada
George Christodoulou ^{(4) (5)}	Senior Partner, Altima Dental Canada Inc.	February, 2007	4,707,408	ON, Canada
Charles Frumberg ⁽⁶⁾	Managing Member, Emancipation Capital Master Ltd.	May, 2007	11,929,000	NY, USA
Brian Schachter ⁽⁷⁾	President and CEO, COUNSELTRON LTD.	September, 2010	14,769,447	ON, Canada

(1) These Common Shares are owned by Mr. Atkins' spouse.

(2) Of these Common Shares, 396,218 are owned by Mr. Chebib's spouse and 1,919,638 are owned by the Chebib Family Trust, the beneficiaries of which are the members of Mr. Chebib's immediate family.

(3) In addition to the Common Shares noted above, Mr. Chebib owns convertible unsecured debentures in the principal amount of \$500,000. The debentures are convertible into Common Shares at a conversion price of \$0.35. If the debenture shares were converted into Common Stock as of August 24, 2011, Mr. Chebib's ownership would increase to 12,446,754 Common Shares.

(4) Of these Common Shares, 433,261 are owned indirectly Mr. Christodoulou through Altima Dental Canada Inc., a private company and 548,781 are owned by Mr. Christodoulou's spouse.

(5) In addition to the Common Shares noted above, Mr. Christodoulou owns convertible unsecured debentures in the principal amount of \$125,000. The debentures are convertible into shares of fully-paid Common Shares at a conversion price of \$0.35. If the debenture shares were converted into common stock as of August 24, 2011, Mr. Christodoulou's ownership would increase to 5,064,551 Common Shares.

(6) Mr. Frumberg has shared control and beneficial ownership of these Common Shares through Emancipation Capital Master Ltd., a private investment company. Mr. Frumberg is a director of the Corporation.

(7) Of these Common Shares, 1,813,947 are owned by Frank Schachter Sales Ltd. Mr. Schachter is President and Chief Executive Officer of Frank Schachter Sales Ltd.

(8) Directors are eligible to, and in some cases do, hold options to acquire Common Shares.

(M) Indicates management.

Chairman of the Board of Directors: Mr. Atkins

Audit Committee composition: Messrs. Atkins (Chair), Banks, Christodoulou and Schachter.

Compensation Committee: Messrs. Banks (Chair), Christodoulou and Frumberg.
Nominating/Corporate Governance Committee: Messrs. Frumberg (Chair), Chebib and Schachter.

The respective nominees have furnished the information as to Common Shares and principal occupations individually. Each director of the Corporation has been engaged in his present occupation for the previous five years, except as indicated in the following summaries of the background of each individual.

David H. Atkins

Mr. Atkins was a Senior Adviser to Lang Michener LLP, Barristers & Solicitors, from January 1999 to March 2007. Prior to joining Lang Michener LLP, he was a partner and member of the Executive Committee of Coopers & Lybrand, Chartered Accountants. Mr. Atkins is a Director and Chairman of the Audit Committees of Pethealth Inc. and Integrated Asset Management Inc., both public companies listed on the Toronto Stock Exchange (the "TSX"). Mr. Atkins is the past Chairman of Swiss Reinsurance Holdings Canada Inc. and its Canadian subsidiaries. Mr. Atkins is currently a Governor of Actra Fraternal Benefit Society, a director of and Chairman of the Audit Committee of CIGNA Life Insurance Company of Canada and Chairman of Omega Insurance Holdings Inc. His professional designations include M.A. (Law), Oxford and FCA, Ontario.

David Banks

Mr. Banks is the Managing Partner of Carlyle Banks & Co. Inc., a London and Toronto-based financial firm. During his 39-year career in the financial and business industries, Mr. Banks was Senior Vice President of the Chase Manhattan Bank, President Financial Services Group of Continental Grain Company, Finance Director of General Atlantic Group Limited, Chief Executive Officer of AT&T Capital Corporation and Executive Chairman at Newcourt Credit Group. Mr. Banks is currently the non-executive Director of Dynex Power Inc. and was the Chairman of the National Ballet of Canada. Mr. Banks received an AB and an honorary LL.D. from Kenyon College in the United States. He received a Juris Doctor from the University of Florida in 1969.

Sam Chebib

Mr. Chebib has been the President and Chief Executive Officer of Nightingale since April 2002. From April 2000 to September 2001, he was the President and Chief Operating Officer of MedcomSoft Inc., a public healthcare information company listed on the TSX. From January 1996 to April 2000, Mr. Chebib held the position of General Manager of Toromont Energy, a division of Toromont Industries Ltd., a public company listed on the TSX.

George Christodoulou

Dr. Christodoulou is a Co-Founder and Senior Partner of Altima Dental Canada Inc., one of the largest private dental groups in Canada. He is also a member of the Royal College of Dental Surgeons of Ontario and the Alberta Dental Association and College. Dr. Christodoulou received his Doctor of Dental Surgery and MBA from the University of Toronto.

Charles Frumberg

Mr. Frumberg is the Founder of and a Managing Member of Emancipation Capital Master Ltd., a hedge fund focused on publicly-traded technology companies. Before founding Emancipation Capital Master Ltd., Mr. Frumberg served as the Co-Head of Equities for SG Cowen Securities Corp. ("SG Cowen"), a leading investment bank specializing in technology and healthcare. Prior to joining SG Cowen, Mr. Frumberg was the Director of U.S. equity research and Co-head of global research at UBS Securities. Mr. Frumberg is also a member of the board of directors of FirstRain Inc.

Brian Schachter

Mr. Schachter has been the President and Chief Executive Officer of COUNSELTRON LTD., a developer, manufacturer and importer of consumer goods to national retailers from both the United States and Canada, since 1984. Mr. Schachter has also created, integrated and divested other businesses in the video film distribution, sales and merchandising, and real estate industries. Mr. Schachter received his Bachelor of Commerce degree from Concordia University.

Management does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of Shareholders or until such person's successor is elected or appointed, unless such person's office is earlier vacated.

Unless otherwise indicated, the persons named in the accompanying proxy intend to vote for a resolution to approve the appointment of the foregoing nominees to the Board of Directors on any ballot requested or required by law. In order for the resolution to pass, the Corporation must receive a majority of the votes cast by all Shareholders at the Meeting.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity.

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Corporation) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

- (d) has been subject to 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
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director,

except as follows:

Mr. Banks was serving as Chairman of the Board and a Director of Microforum Inc. and Cervus, Inc. when each of these companies filed for protection under the *Companies' Creditors Arrangements Act* in connection with acquisition transactions in the years ended March 31, 2005 and March 31, 2009, respectively.

Appointment of Auditors

PricewaterhouseCoopers LLP, Chartered Accountants were first appointed auditors of the Corporation on September 25, 2006.

At the Meeting, it is proposed to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders at remuneration to be fixed by the Board of Directors. In the absence of instructions to be withheld from voting, the persons designated by management of the Corporation in the enclosed form of proxy, intend to vote to approve the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as the Corporation's auditors and to authorize the Board of Directors to fix the auditors' remuneration.

Ratification of the Employee Stock Option Plan

The Corporation established a stock option plan for its directors, officers, employees and consultants (the "**Plan**") which was initially approved by the Shareholders on August 25, 2005 and amended by the Board of Directors on February 16, 2011 to account for administrative withholding tax amendments with respect to changes introduced in the March 4, 2010 the federal budget. The full text of the Plan is appended to this Circular as "A". Reference should be made thereto for a complete statement of the terms and conditions of the Plan. The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares thereby increasing their proprietary interest in, and encouraging them to remain associated with, the Corporation. The Plan is administered by the Board of Directors and all stock options granted thereunder are subject to the rules and policies of the TSX Venture Exchange (the "**TSX-V**"). The exercise price of the Common Shares subject to each option is determined by the Board of Directors but in no event is such exercise price to be lower than the exercise price permitted by the TSX-V. No single participant may be granted stock options to purchase a number of Common Shares equalling more than 5% of the issued Common Shares in any one twelve month period without disinterested shareholder approval. Options cannot be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any twelve month period to any one consultant of the Corporation. Options cannot be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares to employees or consultants of the Corporation.

Each option and all rights thereunder must be expressed to expire on the date set out in the respective stock option agreement, which is the date of the expiry of the option period.

The aggregate number of Common Shares issuable upon the exercise of all options granted under the Plan cannot exceed 10% of the issued and outstanding Common Shares from time to time. Rolling stock options plans such as the Plan require annual shareholder approval. During the financial year ended March 31, 2011, and pursuant to the Plan, the Corporation granted to employees, consultants and directors an aggregate of 2,363,049 stock options representing approximately 3% of the then issued and outstanding Common Shares (76,310,915 as at March 31,

2011). As at August 24, 2011 an aggregate of 324,227 stock options are available for issuance under the Plan, for which the Corporation seeks Shareholder approval, representing approximately 0.4% of the then issued and outstanding Common Shares (76,310,915). The total number of options issued and outstanding as of the date hereof is 7,306,865.

Pursuant to TSX-V Policy 4.4, all rolling stock option plans, such as the Plan, must receive yearly approval by the Shareholders. Shareholders will therefore be asked at the Meeting to consider and, if thought fit, to ratify the Plan by passing the resolution (the "**Option Resolution**") below.

The Board of Directors and management recommend the adoption of the Option Resolution. To be effective, the Option Resolution must be approved by a majority of the votes cast by the Shareholders present in person, or represented by proxy at the Meeting. **Unless otherwise indicated, the person designated as proxy holders in the form of proxy will vote the Common Shares represented by such form of proxy, properly executed, for the Option Resolution.**

The text of the Option Resolution to be submitted to Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"NOW THEREFORE BE IT resolved that:

1. The employee stock option plan of the Corporation in the form attached to the Management Information Circular of the Corporation dated August 24, 2011 as Appendix "A" is hereby ratified, confirmed and approved.
2. Any one director or officer of the Corporation be and he is hereby authorized and directed to execute and deliver under corporate seal or otherwise, all such deeds, documents, instruments and assurances and to do all such acts and things as in his opinion may be necessary or desirable to give effect to this resolution."

EXECUTIVE COMPENSATION

The Corporation's executive compensation policies and practices, including information about the compensation of the CEO, the CFO and the three other most highly compensated officers of the Corporation who were serving as executive officers of the Corporation on March 31, 2011 (collectively, the "**Named Executive Officers**" or "**NEOs**") are discussed in this section.

Compensation Discussion and Analysis

Compensation Philosophy and Policy

The Compensation Committee is responsible for annually reviewing the Corporation's compensation philosophy and policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long term performance. It is important to the Corporation to ensure it is capable of attracting, motivating and retaining individuals who will ensure the long-term success of the Corporation.

Role of the Compensation Committee

The Corporation's compensation committee (the "**Compensation Committee**") has the responsibility of: negotiating the senior executive officers' total compensation plan; reviewing and advising on stock option guidelines, including making recommendations on specific option grants in excess of CEO's and CFO's authorization levels; and reviewing and communicating to the Board of Directors the compensation policy and principles that will be applied to other executives and employees of the Corporation.

Elements of Executive Compensation

All employees of the Corporation receive compensation based on market value for the type of role they perform. Additional consideration is given to internal pay equity and performance. The compensation payable to the Corporations' employees consists of three main elements: base salary, short term incentives and stock options granted as long term incentives. The Corporation does not engage in formal benchmarking practices. The following table summarizes the purpose of each element.

Element of Compensation	Summary and Purpose of Element
Base Salary	Base salaries are established by taking into account factors such as, individual performance and experience, level of responsibility and competitive pay practices, each is evaluated and determined in the sole discretion of the Board of Directors, without reference to any formal objectives, criteria or analysis. Base salaries are reviewed annually and adjusted appropriately to reflect individual performance and general market changes.
Short Term Incentives	The Corporation's annual incentive plans are intended to focus and reward executives on the achievement of current year Corporation and individual performance objectives. Corporate objectives are approved by the Board of Directors at the commencement of the fiscal year and are required to be met for the Executive to be eligible for payment. All payments are at the sole discretion of the Board of Directors.
Long Term Incentives	The Plan provides directors, officers, employees and consultants of the Corporation, the opportunity to participate in the Plan, at the complete discretion of the Board of Directors.

Base Salary

Base salary recommendations are determined based on general market data for positions of similar responsibilities, on internal comparisons and on the individual's ability, experience and contribution level. Base salaries for each NEO were established in the employment agreements with the Corporation and are reviewed annually so as to take into consideration general market trends.

Short Term Incentives

All permanent full-time executives and certain employees have the opportunity to earn an annual performance bonus reflective of their position. Individual performance and corporate performance objectives include factors such as revenue, profitability, and customer satisfaction. The corporate objectives are established by the CEO and CFO on an annual basis for review by the Compensation Committee, and if approved, are recommended for approval by the Board of Directors in their sole discretion.

Long Term Incentives

Options to purchase Common Shares are granted to the NEOs and other key employees to sustain commitment to long-term profitability and to maximize shareholder value over the long term. Under the terms and conditions of the Plan, participants are granted options which are exercisable for periods of time determined by the Compensation Committee, generally five years following the date of grant at an exercise price equal to the closing market price of the Common Shares on the TSX-V on the second trading day following the date that quarterly earnings are announced. Stock options are granted to NEOs from time to time based on the current number of options outstanding for each NEO and other factors including individual performance and contribution level at the discretion of the Board.

Further, the Corporation's executive compensation programs are designed to attract and retain highly qualified senior executives and recognize that long-term performance incentives, primarily in the form of stock options, are an integral part of aligning the interest of executive officers and the Corporation's shareholders. When determining whether and how many new options are to be granted, the Compensation Committee will consider a number of factors including salary, level of responsibility and the amount and terms of the outstanding options.

Summary Compensation Table

The following table provides information respecting compensation received in or in respect of the financial years ended March 31, 2011, 2010 and 2009 for each of the following officers of the Corporation: (a) the President and CEO, (b) the CFO and (c) the Named Executive Officers.

Name and Principal Position (1) (2)	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Sam Chebib, President, CEO and Director ⁽⁴⁾	2011	250,000	-	75,000	-	-	-	14,400	339,400
	2010	256,659	-	4,838	-	-	-	13,800	275,297
	2009	263,318	-	9,675	-	-	-	14,400	287,393
Michael Ford, CFO ⁽⁵⁾	2011	173,333	-	30,000	-	-	-	6,000	209,333
	2010	160,000	-	11,000	-	-	-	6,000	177,000
	2009	160,000	-	22,160	-	-	-	6,000	188,160
John Bodolai, Executive VP ⁽⁶⁾	2011	120,000	-	30,000	12,381	-	-	41,660	204,041
	2010	-	-	27,500	43,858	-	-	170,838	242,196
	2009	-	-	-	2,132	-	-	36,855	38,987
Brian Miller, Chief Technology and Privacy Officer ⁽⁷⁾	2011	133,333	-	22,500	-	-	-	5,000	160,833

- (1) The Corporation has determined that two individuals in addition to the CEO and CFO meet the definition of a Named Executive Officer for the year ended March 31, 2011.
- (2) Certain dollar amounts in the table have been converted into Canadian dollars from U.S. dollars using an exchange rate of US \$1.00 = Cdn \$1.0164, Cdn \$1.0904 and Cdn \$1,1264, the average applicable exchange rates during the years ended March 31, 2011, 2010 and 2009, respectively.
- (3) The value of option-based awards was determined using the weighted average fair value of stock options granted, calculated using the Black-Scholes option pricing model. The weighted average assumptions used to determine the stock option compensation cost were as follows for the financial year ended March 31, 2011 – expected stock price volatility 58%, risk-free interest rate 2.2%, expected dividend yield 0% and expected option life 4 years (2010 – expected stock price volatility 81%, risk-free interest rate 2.3%, expected dividend yield 0% and expected option life 4 years ; 2009 – expected stock price volatility 50%, risk-free interest rate 3.05% to 3.68%, expected dividend yield 0% and expected option life 4 years).
- (4) In the year ended March 31, 2011, the Corporation's compensation committee determined that Mr. Chebib was due a lump sum payment totalling \$89,353 in connection with a Consumer Price Index multiplier that applied over a five year period of Mr. Chebib's agreement. Mr. Chebib agreed to receive 50% of this payment in cash and the balance in the form of a stock option with pricing and terms set according to the Corporation's standard practice. Although the cash payment was made in fiscal 2011 and the stock option was granted in fiscal 2011, the value of each component was been allocated to the years to which it applied. Mr. Chebib's total salary in the financial years ended March 31, 2011, 2010 and 2009 was \$250,000. Mr. Chebib was issued 716,377 options on August 30, 2010 at an exercise price of \$0.35 per share and expiration date of August 29, 2015. This option grant was partially intended to compensate

Mr. Chebib for the lump sum payment described above. Mr. Chebib did not receive any compensation in the years ended March 31, 2011, 2010 and 2009 related to his capacity as a Director.

- (5) Mr. Ford was appointed as the Corporation's CFO on December 3, 2007, and entered into employment with the Corporation at a base salary of \$160,000 per annum and effective August 2010, Mr. Ford's base salary was increased to \$180,000 per annum. Mr. Ford was issued 200,000 options on August 4, 2010 at an exercise price of \$0.28 per share and expiration date of August 3, 2015 and was issued 100,000 options on July 31, 2009 at an exercise price of \$0.27 per share and expiration date of July 30, 2014 and was issued 200,000 options on September 3, 2008 at an exercise price of \$0.26 per share and expiration date of September 2, 2013.
- (6) In July 2010, Mr. Bodolai was appointed as the Corporation's Executive Vice President, and entered into employment with the Corporation at a base salary of \$160,000 per annum. In January 2009, the Corporation had engaged Soundview Management Group Inc. ("**Soundview**") as the Corporation's Senior Sales and Marketing Advisor. Mr. Bodolai was the owner of Soundview. Pursuant to this engagement, Soundview was entitled to receive payments equal to \$13,000 per month as well as monthly commission payments based on sales results within Mr. Bodolai's territory. Mr. Bodolai was issued 200,000 options on August 4, 2010 at an exercise price of \$0.28 per share and expiration date of August 3, 2015 and was issued 250,000 options on July 29, 2009 at an exercise price of \$0.27 per share and expiration date of July 30, 2014.
- (7) Mr. Miller was appointed as the Corporation's Chief Technology and Privacy Officer in June 2010. Mr. Miller was issued 150,000 options on August 4, 2010 at an exercise price of \$0.28 per share and expiration date of August 3, 2015.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information concerning options to purchase Common Shares granted to each of the Named Executive Officers which were outstanding as of March 31, 2011:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$) ⁽²⁾
Sam Chebib	100,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
	716,377	0.35	August 29, 2015	-	-	-
Michael Ford	100,000	0.45	December 2, 2012	-	-	-
	200,000	0.26	September 2, 2013	2,000	-	-
	100,000	0.27	July 30, 2014	-	-	-
	200,000	0.28	August 3, 2015	-	-	-
John Bodolai	250,000	0.27	July 30, 2014	-	-	-
	200,000	0.28	August 3, 2015	-	-	-
Brian Miller	150,000	0.28	August 3, 2015	-	-	-

(1) Calculated based on the difference between the market value of the Common Shares underlying the options at the end of the year and the exercise price of the option.

(2) Calculated based on the market value of the Common Shares at the end of the financial year.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes, for each of the Named Executive Officers, the value of the options vested and the non-equity incentive plan compensation earned during the financial year ended March 31, 2011.

Name	Option-Based Awards - Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards - Value Vested During the Year (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$) ⁽¹⁾
Sam Chebib	-	-	-
Michael Ford	4,750	-	-
John Bodolai	1,875	-	-
Brian Miller	-	-	-

- (1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date. Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options applied to the options that vested during the year.

None of the Named Executive Officers exercised any options during the financial year ended March 31, 2011.

Pension Plan Benefits

Until December 4, 2009, the Corporation sponsored the Nightingale Retirement Plan ("**401k Plan**"), which was considered to be a plan qualified under Internal Revenue Service Code ("**IRS**") Section 401(k) and a defined contribution plan, for employees of one of the Corporation's US subsidiaries, Nightingale Healthnet Corporation ("**Healthnet**").

During the year ended March 31, 2009 from April 2008 until October 2008, the Corporation made discretionary matching contributions to the 401k Plan. These discretionary matching contributions were equal to 100% of the participant's contributions up to a maximum of 6% of the participant's salary. In October 2008, the Corporation discontinued matching contributions.

Participants in the 401k Plan vest in employer contributions over a six year period such that participants are immediately vested in employer contributions after six years.

The Corporation also sponsored the VantageMed 401k Plan ("**VantageMed Plan**") which is considered to be a plan qualified under IRS Section 401(k) and a defined contribution plan, for employees of a second US subsidiary, Nightingale VantageMed Corporation. None of the Named Executive Officers were eligible to participate in the VantageMed Plan. The Corporation did not make any contributions to the VantageMed Plan during the financial years ended March 31, 2011 or 2010.

There were no contributions made by the Corporation on behalf of the Named Executive Officers to the 401k Plan, during the financial years ended March 31, 2011 or 2010.

The 401k Plan and the VantageMed Plan were in place at the time that the Corporation acquired Healthnet in April 2006 and VantageMed Corporation in April 2007. On December 4, 2009, the Corporation combined the 401K Plan and the VantageMed Plan into the Nightingale 401k Plan. The Corporation has continued to offer the Nightingale 401k Plan, as it is seen by certain senior executives and employees to be a valuable benefit. The Corporation has not made any discretionary matching contributions to the Nightingale 401k Plan.

Termination and Change of Control Benefits

Nightingale is a party to employment agreements with each of Sam Chebib, Michael Ford, John Bodolai and Brian Miller.

Sam Chebib and Nightingale entered into an employment agreement dated January 1, 2002, pursuant to which Mr. Chebib is paid a base salary of \$250,000 per annum. In November 2010, Mr. Chebib entered into a new employment agreement with the Corporation which also provides for a base salary of \$250,000 per annum. Pursuant to the new agreement Mr. Chebib is entitled to an annual bonus of 100% of his salary, if certain goals and objectives are met, with payments determined in the sole discretion of the Board upon the recommendation of the Compensation Committee. Should Mr. Chebib be terminated for any reason other than cause, resignation, death, or permanent disability under certain circumstances, he is entitled to pay in lieu of notice to a maximum of 24 months as well as the annual performance bonus in respect of the year in which the termination occurred (prorated and subject to a minimum of six months). Further, in the event of such a termination, Mr. Chebib will within 30 days of the date of termination receive 431,034 common shares of the Corporation issued from the Corporation's treasury. Any such distribution of common shares would be subject to regulatory and TSX-V approval. Should Mr. Chebib resign within six months following a change in control (as defined in Mr. Chebib's employment agreement), he is entitled to the same compensation indicated above and subject to applicable law and stock option plan rules, 100% of previously granted stock options will vest. Mr. Chebib's employment agreement also includes confidentiality, non-competition and non-solicitation provisions.

Michael Ford and Nightingale entered into an employment agreement dated November 22, 2007 with an effective start date of December 3, 2007. On August 5, 2011 Mr. Ford entered into a new employment with the Corporation pursuant to which, effective August 1, 2010, Mr. Ford is paid a base salary of \$180,000 per annum. Mr. Ford is entitled to an annual bonus up to a maximum of 62.5% of base salary, if certain Corporate and individual performance objectives are met, with payments determined in the sole discretion of the Board upon the recommendation of the Compensation Committee. Should Mr. Ford be terminated for any reason other than cause, resignation, death, or permanent disability under certain circumstances, he is entitled to pay in lieu of notice to a maximum of 18 months. In the event Mr. Ford should obtain alternative employment during the notice period the Corporation will pay a lump sum of 50% of the remaining balance of the continuance from the date of alternative employment to the end of the 18 month period. Should Mr. Ford resign within six months following a change in control (as defined in Mr. Ford's employment agreement), he is entitled to the same compensation indicated above and subject to applicable law and stock option plan rules, 100% of previously granted stock options will vest. Mr. Ford's employment agreement also includes confidentiality, non-competition and non-solicitation provisions.

John Bodolai and Nightingale entered into an employment agreement dated July 1, 2010, pursuant to which Mr. Bodolai is paid a base salary of \$160,000 per annum. Mr. Bodolai is entitled to quarterly and annual bonuses based on the Corporation's achievement of certain revenue and EBITDA objectives. Should Mr. Bodolai be terminated for any reason other than cause or resignation, he is entitled to six month's pay in lieu of notice during the first year of service plus one month's pay for each additional partial year of service, to a combined maximum of 18 months. In the event of termination for any reason other than just cause within 12 months following a change in control (as defined in Mr. Bodolai's employment agreement), he is to be paid a continuance equal to the greater of 12 months' pay or the number of months' pay based on service as calculated above based on his average salary and earned bonus during the 6 months' prior to the date of termination. In the event Mr. Bodolai should obtain alternative employment during the notice period, the Corporation may pay a lump sum of 50% of the remaining balance of the continuance from the date of alternative employment, to the end of the notice period. Mr. Bodolai's employment agreement also includes confidentiality, non-competition and non-solicitation provisions.

Brian Miller and Nightingale entered into an employment agreement dated May 26, 2010 with an effective start date of June 1, 2010, pursuant to which Mr. Miller is paid a base salary of \$160,000 per annum. Mr. Miller is entitled to an annual bonus if certain Corporate and individual performance objectives are met, with payments determined in the sole discretion of the Board upon the recommendation of the Compensation Committee

Should Mr. Miller be terminated for any reason other than cause or resignation, he is entitled to six months pay in lieu of notice during the first year of service plus one month's pay for each additional partial year of service to a combined maximum of 18 months. In the event of termination for any reason other than just cause within 12 months following a change in control (as defined in Mr. Miller's employment agreement), he is to be paid a continuance equal to the greater of 12 months or the number of months based on service as calculated above based on his average salary and earned bonus during 6 months prior to date of termination. In the event Mr. Miller should obtain alternative employment during the notice period the Corporation may pay a lump sum of 50% of the remaining balance of the continuance from the date of alternative employment to the end of the notice period. Mr. Miller's employment agreement also includes confidentiality, non-competition and non-solicitation provisions.

COMPENSATION OF DIRECTORS

The Corporation's director compensation program is designed to attract and retain qualified people to serve on the Board of Directors and its committees, align the interests of the directors with interests of the Shareholders and provide appropriate compensation for the risks and responsibilities related to being an effective director, giving consideration to the Corporation's working capital and cash requirements. The compensation of the directors of the Corporation is reviewed annually by the Compensation Committee.

The following table sets forth details of the total compensation earned by non-employee directors during fiscal 2011.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	Total Other Compensation (\$)	Total Compensation (\$)
David H. Atkins	25,000	-	-	-	-	-	25,000
David Banks	15,000	-	-	-	-	-	15,000
George Christodoulou	10,000	-	-	-	-	-	10,000
Charles Frumberg	15,000	-	-	-	-	-	15,000
Brian Schachter	10,000	-	-	-	-	-	10,000
Sven Grail ⁽¹⁾	5,000	-	-	-	-	-	5,000
J.R. Kingsley Ward ⁽¹⁾	5,000	-	-	-	-	-	5,000

(1) Messrs. Grail and Ward ceased being directors of the Corporation in September 2010. Their options will remain outstanding until September 2011.

The Board of Directors did not grant any options to the directors during the financial year ended March 31, 2011 to compensate the directors for their services during the financial year ended March 31, 2011. In August 2010 the Board of Directors granted 586,672 options to non-employee directors as compensation for their services during the fiscal year ended March 31, 2010.

Directors were reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the directors or any committee meeting.

Outstanding Option-Based Awards

The following table sets forth details of options to purchase Common Shares granted to non-employee directors which were outstanding as of March 31, 2011.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
David H. Atkins	100,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
	233,993	0.27	July 30, 2014	-	-	-
	171,080	0.35	August 29, 2015	-	-	-
David Banks	75,000	1.25	November 24, 2012	-	-	-
	36,164	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
	162,994	0.27	July 30, 2014	-	-	-
George Christodoulou	97,648	0.35	August 29, 2015	-	-	-
	10,685	0.45	May 31, 2012	-	-	-
	75,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
Charles Frumberg	116,996	0.27	July 30, 2014	-	-	-
	73,432	0.35	August 29, 2015	-	-	-
	75,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
Sven Grail ⁽²⁾	162,994	0.27	July 30, 2014	-	-	-
	73,432	0.35	August 29, 2015	-	-	-
	100,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-
J.R. Kingsley Ward ⁽²⁾	162,994	0.27	July 30, 2014	-	-	-
	73,432	0.35	August 29, 2015	-	-	-
	100,000	0.45	May 31, 2012	-	-	-
	25,000	0.45	December 2, 2012	-	-	-

(1) Calculated based on the difference between the market value of the Common Shares underlying the options at the end of the financial year and the exercise price of the option.

(2) Messrs. Grail and Ward ceased being directors of the Corporation in September 2010. Their options will remain outstanding until September 2011.

The following table summarizes, for each of the non-employee directors, the value of options vested during the financial year ended March 31, 2011 and the value of any other non-equity incentive plan compensation earned during the financial year ended March 31, 2011.

Name	Option-Based Awards - Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards - Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
David H. Atkins	-	-	-
David Banks	-	-	-
George Christodoulou	-	-	-
Charles Frumberg	-	-	-
Sven Grail (2)	-	-	-
J.R. Kingsley Ward (2)	-	-	-

- (1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date. Calculated based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options applied to the options that vested during the year.
- (2) Messrs. Grail and Ward ceased being directors of the Corporation in September 2010. Their options will remain outstanding until September 2011.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of March 31, 2011, information concerning securities authorized for issuance under equity compensation plans.

<u>Plan Category</u>	<u>Number of Securities to be issued upon exercise of outstanding options or vesting of stock</u>	<u>Weighted average exercise price of outstanding options</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans previously approved by security holders.....	6,315,365	\$0.34	1,315,727
Equity compensation plans not previously approved by security holders	—	—	—
Total	6,315,365	\$0.34	1,315,727

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise. Additional disclosure with respect to corporate governance is set out in Appendix "B" hereto.

AUDIT COMMITTEE

Under National Instrument 52-110 ("**NI 52-110**"), the Corporation is required to include in this Circular the disclosure required under Form 52-110F2 with respect to the Audit Committee and the fees paid to the external auditor.

The Corporation's audit committee (the "**Audit Committee**") is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation's external auditors. The Audit Committee is also responsible for reviewing the Corporation's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full Board of Directors.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board of Directors. A copy of the charter is attached hereto as Schedule "C".

Composition of the Audit Committee

The Audit Committee is comprised of four directors: David H. Atkins (Chair), David Banks, George Christodoulou and Brian Schachter, all of whom are financially literate within the meaning of NI 52-110. All four of the members of the Audit Committee are considered to be independent.

Relevant Education and Experience

Set out below is a description of the education and experience of each of the Corporation's four current Audit Committee members, which is relevant to the performance of his responsibilities as an Audit Committee member.

David Banks – Mr. Banks acquired significant financial experience and exposure to accounting and financial issues in a professional capacity during his 40-year career in the financial services industries as the Vice Chairman of Lawrence & Company Inc., a Toronto-based investment firm, as Senior Vice President of the Chase Manhattan Bank, Founder - President of Carlyle Banks & Co. Inc., President, Financial Services Group of Continental Grain Company, Finance Director of General Atlantic Group Limited, Chief Executive Officer of AT&T Capital Corporation and Executive Chairman of the Newcourt Credit Group.

David H. Atkins – Mr. Atkins is a fellow of the Institute of Chartered Accountants of Ontario. Mr. Atkins consults to the insurance and other industries regarding business strategy, mergers, acquisitions and governance. He also advises with regard to regulatory compliance. Mr. Atkins has lectured extensively with respect to governance and audit committee issues. Mr. Atkins is the past Chairman of Swiss Reinsurance Holdings Canada Inc. and its Canadian subsidiaries. Mr. Atkins serves on the boards of several companies including Pethealth Inc. and Integrated Asset Management Inc.

George Christodoulou - Dr. Christodoulou holds a Masters in Business Administration from The Rotman School of Management, University of Toronto. He has also acquired significant financial experience and exposure to accounting and financial issues in a professional capacity as Co-Founder and Senior Partner of Altima Dental Canada Inc. and as President and CEO of International Health Partners, an Alberta based medical and dental group.

Brian Schachter – Mr. Schachter has acquired significant exposure to accounting and financial issues in a professional capacity as a founder of and investor in many diverse businesses. Mr. Schachter is currently President and Chief Executive Officer of COUNSELTRON LTD., a developer, manufacturer and importer of consumer goods.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Corporation's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

External Auditor Service Fees

Audit Fees

The aggregate audit fees billed by the Corporation's external auditors as at March 31, 2011, for fiscal 2011, was approximately \$82,000 (2010 – \$81,000). The audit fees relate to the audit of consolidated financial statements, quarterly reviews of interim financial statements, if applicable, and other statutory and regulatory filings.

Audit-Related Fees

The aggregate audit-related fees billed by the Corporation's external auditors for the year ended March 31, 2011 was Nil (2010 – Nil).

Tax Fees

The tax fees billed by the Corporation's external auditors for the year ended March 31, 2011 was Nil (2010 – Nil).

All Other Fees

Other fees billed by the Corporation's external auditors for the year ended March 31, 2011 was \$35,000 (2010 - Nil).

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the date of this Circular, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them is, indebted to the Corporation or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or was indebted to another entity, which such indebtedness is, or was at any time during the most recent completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are currently and were no material transactions, since the commencement of the last financial year, in which any director, officer or principal shareholder of the Corporation, or any of their associates or affiliates, had any material interest, direct or indirect, and no other such transactions are proposed.

SHAREHOLDER PROPOSALS

Any Shareholder's proposal that complies with the provisions of the *Business Corporations Act* (Ontario) and is intended to be presented at the 2012 annual meeting of Shareholders must be received by the Corporation no

later than July 16, 2012. The proposal can then be included in the management proxy circular and the proxy for the 2012 annual meeting.

ADDITIONAL INFORMATION

All matters referred to in this Circular for approval by Shareholders require a simple majority of the votes cast at the Meeting, whether in person or by proxy. Except where otherwise indicated, information contained herein is given as of the date hereof.

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. **Further financial information is provided by the Corporation's financial statements for the fiscal year ended March 31, 2011 and related management's discussion and analysis of results, which has been filed on SEDAR.** Shareholders may also contact the Secretary of the Corporation by phone at 905-307-7870 or by e-mail at mford@nightingalemd.com to request copies of these documents.

The Corporation will provide to any person or company, upon receipt of a request to the Secretary of the Corporation, and without charge in the case of a security holder, a copy of: (i) the Corporation's most recently filed comparative annual financial statements, together with the accompanying report of the auditor, (ii) and any interim financial statements of the Corporation that have been filed for any period after the end of its most recently completed financial year; and (iii) this Circular.

GENERAL

The Board of Directors of the Corporation has approved the contents and the sending of this Circular.

A copy of the Circular and the Notice of Meeting has been sent to each director, each shareholder entitled to notice of the meeting and the Corporation's auditors.

DATED August 24, 2011

(signed) "Michael Ford"

Michael Ford
Chief Financial Officer and Secretary

APPENDIX "A"

NIGHTINGALE INFORMATIX CORPORATION

EMPLOYEE STOCK OPTION PLAN

1. Purpose

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries 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 to 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.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **"Board of Directors"** means the Board of Directors of the Corporation;
- (b) **"Common Shares"** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (c) **"Corporation"** means Nightingale Informatix Corporation and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **"Discounted Market Price"** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **"Exchange"** means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (f) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **"Insider"** has the meaning ascribed thereto in Exchange Policies;
- (h) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) **"Option Period"** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is five (5) years and ten (10) years from the date the Option is granted based on the Corporation being a Tier 2 Issuer or a Tier 1 Issuer, respectively.
- (j) **"Optionee"** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly owned by such

persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and

- (k) **"Plan"** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended. Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policy, including without limitation "Consultant", "Employee", "Insider", "Investor Relations Activities", "Management Company Employee", "Tier 1 Issuer" and "Tier 2 Issuer". Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation. Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries. No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Common Shares Subject to Options

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12 month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares;
- (d) the grant to all Optionees performing investor relations services, whether Consultants or Employees, of a number of Options exceeding 2% of the issued and outstanding Common Shares; or
- (e) the number of Common Shares reserved for issuance pursuant to Options granted to Optionees resident in the United States exceeding 1,900,000, or such other number of Common Shares as shall be fixed and determined by the Board of Directors from time to time.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant (or 2% of the issued and outstanding Common Shares in the case of an Optionee who is a Consultant).

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement

- (a) A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.
- (b) The Board of Directors may require any Optionee to agree in the Stock Option Agreement that the Optionee, if so requested by the Corporation or any representative of the underwriters

(the "**Managing Underwriter**") in connection with any registration of the offering of any securities of the Corporation under the *United States Securities Act of 1933, as amended* (the "**1933 Act**"), Optionee shall not sell or otherwise transfer any Common Share(s) or other securities of the Corporation for a period of up to 180 days (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Corporation) following the effective date of a registration statement of the Corporation filed under the 1933 Act.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 10 and 11 hereof. Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

The certificates representing any Common Share(s) issued to a "U.S. person" (as defined in Rule 902 of Regulation S under the 1933 Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. person, and any partnership or corporation organized or incorporated under the laws of the United States) shall, until such time as the same is no longer required under the applicable requirements of the 1933 Act or applicable U.S. state laws and regulations, bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE

REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE 1933 ACT, A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE APPLICABLE TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN FORM SATISFACTORY TO THE CORPORATION AND THE APPLICABLE TRANSFER AGENT TO THE EFFECT THAT THE SALE OF THE SECURITIES IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AT A TIME WHEN THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE 1933 ACT."

10. Ceasing to be a Director, Officer, Employee or Consultant

Unless otherwise determined by the Board of Directors, and subject to the rules and policies of the Exchange, if an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

11. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

12. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange. Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

13. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation, to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

14. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option. Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

15. United States Matters

Each option granted under the Plan to an option holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a "**U.S. Optionee**") will be designated in the Stock Option Agreement as either a non-qualified stock option or an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the "**Code**"), provided that the stock option complies with the following provisions. If not designated in the Stock Option Agreement, the Option shall be an incentive stock option. No provisions of the Plan, as it may be applied to a U.S. Optionee who has been granted an incentive stock option within the meaning of Section 422 of the Code, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Notwithstanding anything in the Plan contained to the contrary, the following provisions shall apply to each U.S. Optionee who will be granted an incentive stock option within the meaning of Section 422 of the Code:

- (i) options shall only be granted to U.S. Optionees who are, at the time of grant, officers, key employees or directors (provided, for purposes of this Section 11 only, such directors are then also officers or key employees of the Corporation or a subsidiary). Any director of the Corporation who is a U.S. Optionee shall be eligible to vote upon the granting of such option;
- (ii) the aggregate fair market value (determined as of the time the option is granted) of the Common Share(s) exercisable for the first time by a U.S. Optionee during any calendar year under the Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Corporation or any subsidiary shall not exceed US\$100,000;
- (iii) the purchase price for Common Share(s) under each Option granted to a U.S. Optionee pursuant to the Plan shall be not less than the fair market value of such Common Share(s) at the time the option is granted, as determined in good faith by the directors at such time;
- (iv) if any U.S. Optionee to whom an option is to be granted under the Plan at the time of the grant of such option is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation, then the following special provisions shall be applicable to the option granted to such individual:
 - (1) the purchase price per Common Share subject to such option shall not be less than one hundred and ten percent (110%) of the fair market value of one Common Share at the time of grant; and
 - (2) for the purposes of this Section 11 only the option exercise period shall not exceed five (5) years from the date of grant;
- (v) no option may be granted hereunder to a U.S. Optionee following the expiry of five (5) years after the date on which the Plan is adopted by the Board of Directors or the date the Plan is approved by the Shareholders of the Corporation, whichever is earlier;
- (vi) no option granted to a U.S. Optionee under the Plan shall become exercisable unless and until the Plan shall have been approved by the Shareholders of the Corporation; and
- (vii) no incentive stock options may be granted under the Plan after ten (10) years after the adoption of this Plan by the Board of Directors of the Corporation.

16. Withholding Taxes Etc.

For certainty and notwithstanding any other provision of the Plan, the Corporation may take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Corporation is required by any law or regulation of any governmental authority whatsoever to deduct or withhold in connection with any Common Share issued pursuant to the Plan, including, without limiting the generality of the foregoing, (a) withholding of all or any portion of any amount otherwise owing to a Optionee; (b) the suspension of the issue of Common Shares to be issued under the Plan, until such time as the Optionee has paid to the Corporation an amount equal to any amount which the Corporation is required to deduct or withhold by law with respect to such taxes or other amounts; and/or (c) withholding and causing to be sold, by it as a trustee on behalf of an Optionee, such number of Common Shares as it determines to be necessary to satisfy the withholding obligation. By participating in the Plan, the Optionee consents to such sale and authorizes the Corporation to effect the sale of such Common Shares on behalf of the Optionee and to remit the appropriate amount to the applicable governmental authorities. The Corporation shall not be responsible for obtaining any particular price for the Common Shares nor shall the Corporation be required to issue any Common Shares under the Plan unless the Optionee has made suitable arrangements with the Corporation to fund any withholding obligation.

17. Costs

The Corporation shall pay all costs of administering the Plan.

18. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted here under at any time without the approval of the Shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the Shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

19. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

20. Prior Plans

On the effective date (as set out in Section 20 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to the Plan.

21. Effective Date

This Plan shall become effective as of and from, and the effective date of the Plan shall be August 25, 2005, as amended on February 16, 2011, upon receipt of all necessary shareholder and regulatory approvals.

APPENDIX "B"

CANADIAN SECURITIES ADMINISTRATORS REQUIREMENTS

Statement of Corporate Governance Practices

National Policy 58-201 of the Canadian Securities Administrators entitled "Corporate Governance Guidelines" ("**NP 58-201**") sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 of the Canadian Securities Administrators entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in its management proxy circular.

The Corporation and the Board of Directors recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and Shareholders. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board of Directors and management feel that the Corporation's corporate governance policies and procedures in place are suitable compared to companies of similar size and operating history as that of the Corporation. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The following is a description of the Corporation's corporate governance practices which has been prepared by the Nominating/Corporate Governance Committee of the Board of Directors and has been approved by the Board of Directors.

The Board of Directors

Of our nominees for the Board of Directors, 5 out of 6 (or approximately 83 %) are considered to be independent. Our independent nominees for election to the Board of Directors are: David H. Atkins, David Banks, George Christodoulou, Charles Frumberg and Brian Schachter.

Mr. Sam Chebib, President and Chief Executive Officer of the Corporation, is not considered to be independent under securities laws because he is also an officer of the Corporation.

The Nominating/Corporate Governance Committee, at least on an annual basis, reviews the relationship of each director with the Corporation to determine which directors are deemed to be independent under NI 52-110. The Nominating/Corporate Governance Committee advises the Board of Directors of its findings. The table below provides a list of additional board appointments made by publicly traded companies which have been accepted by each member of the Board of Directors of the Corporation.

Name	Reporting Issuer	Name of Exchange or Market	Position(s)	Period
David H. Atkins	Pethealth Inc.	TSX	Director	August 1999 to Present
	Integrated Asset Management Inc.	TSX	Director	March 2006 to Present
David Banks	Dynex Power Inc.	TSX-V	Non-executive Director	October 2001 to Present

Report on Board of Directors Activities

The Board of Directors mandate is to provide stewardship to the Corporation and, as part of its overall stewardship, assumes responsibility for the following matters:

- (a) appointment of the President and Chief Executive Officer and monitoring the performance of the President and Chief Executive Officer by measuring performance against objectives set by the Board of Directors;
- (b) adoption and monitoring of the strategic planning process;
- (c) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning, including appointing, training and monitoring senior management;
- (e) the integrity of the Corporation's internal control and management information systems;
- (f) a communication policy; and
- (g) the development of the approach to corporate governance.

Committees of the Corporation

The Corporation has a total of three separate governance committees: the Audit Committee, the Compensation Committee and the Nominating/Corporate Governance Committee.

Each committee consists of three (3) members of the Board of Directors and has a Chair who ensures that both the objectives of their respective committee and its specific responsibilities are met.

The Audit Committee

The Audit Committee consists of four members of the Board of Directors, David H. Atkins (Chair), David Banks, George Christodoulou and Brian Schachter. All four of the members are considered to be independent and all of whom are financially literate and are, in the Board of Directors' judgment, qualified to carry out the Committee's obligations as detailed in its charter.

The Audit Committee can request that any officer or employee of the Corporation or the Corporation's outside counsel, actuary or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The purpose of the Audit Committee is to assist the Board of Directors in its oversight of:

- (i) the integrity of the financial reporting of the Corporation;
- (ii) the independence and performance of the Corporation's external auditors; and
- (iii) the Corporation's compliance with legal and regulatory requirements.

The Audit Committee has the following specific authority and responsibilities:

1. Review the annual audited and quarterly financial statements, MD&A and associated press release (along with any corresponding regulatory filings) with management, and the independent auditors, including significant issues and judgments regarding accounting and auditing principles and practices, prior to their public release.
2. Review major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditor or management. This also includes an analysis of the effect of IFRS, soon to replace GAAP and other reporting methods on the Corporation's financial statements.
3. Review the system of internal control and meet periodically with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
4. Establish procedures for the handling of complaints and employee concerns regarding accounting or auditing matters.
5. Advise the Board of Directors in selecting, evaluating or replacing the independent auditors, who shall report directly to the Audit Committee.
6. Review the fees of the independent auditors for audit and non-audit services, and review the Corporation's policies on retention of the independent auditors for non-audit services and fee arrangements.
7. Review and approve the hiring policy as it may relate to hiring of partners and employees of current and former auditors.
8. Receive and discuss with the independent auditor the auditor's periodic reports regarding its independence and, if the Audit Committee so determines, recommend that the Board of Directors take appropriate action to satisfy itself of the independence to the auditor.
9. Review with the independent auditors any issues the auditors may have encountered and any management letter provided by the auditors and the Corporation's response to that letter. This review should include, among other things, issues encountered in the course of audit work, including restrictions on the scope of activities or access to required information.
10. Oversee the work of the independent auditor and approve all work carried out by them, including non-audit work.
11. Obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Generally Accepted Audit Standards which set forth procedures to be followed in the audit of financial statements.

12. Review significant adverse audit findings made by the independent auditors and management's responses.
13. Advise the Board of Directors with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations.
14. Review with management, the Corporation's counsel, and independent auditors (1) legal matters that may have a material impact on the financial statements, (2) accounting or compliance policies, and (3) any material reports or inquiries received from regulators, governmental agencies or employees that raise material issues regarding the Corporation's financial statements and accounting or compliance policies.
15. Meet with the Chief Financial Officer and the independent auditors in separate executive sessions at least annually.
16. Report the Audit Committee's activities to the Board of Directors regularly and recommend action when appropriate.
17. Review its charter annually and recommend any changes to the Board of Directors for approval.

The function of the Audit Committee is oversight. While the Audit Committee has the responsibilities and powers set forth in its charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

The Compensation Committee

The Compensation Committee consists of three members of the Board of Directors, David Banks (Chair), George Christodoulou and Charles Frumberg, all of whom are considered to be independent.

The members of the Committee are appointed by a majority vote of the Board of Directors from among its members based on the recommendations of the Nominating/Corporate Governance Committee and serve until such member's successor is duly appointed and qualified or until such member's resignation or removal by a majority vote of the Board of Directors.

The purpose of the Compensation Committee is to:

- (i) oversee the administration of the compensation plans of the Corporation;
- (ii) discharge the Board of Director's responsibilities relating to the compensation of the Corporation's executives;
- (iii) review and make recommendations on director compensation; and
- (iv) prepare the annual report on executive compensation required by securities laws and regulations.

The Committee has the following specific authority and responsibilities:

1. Establish, and periodically review, the general compensation philosophy for the Corporation.
2. Oversee the implementation and administration of the compensation plans of the Corporation, including pension, welfare, incentive and equity-based plans, to ensure that these plans are consistent with the Corporation's general compensation philosophy.
3. Review and make recommendations to the Board of Directors with respect to the adoption or amendment of incentive compensation and equity-based plans for the Corporation, including stock option and deferred compensation plans.
4. Review and make recommendations to the Board of Directors with respect to, or approve, all awards of shares or share options pursuant to the Corporation's equity-based plans.
5. At least annually, for the Chief Executive Officer and the other executive officers of the Corporation, (a) review and approve the corporate goals and objectives relevant to their compensation, (b) evaluate the executive officers' performance in light of these goals and objectives, and (c) set the executive officers' compensation. In setting compensation, the Committee shall consider all factors it deems relevant, including the Corporation's performance and relative shareholder return, the value of similar incentive awards to those with similar responsibilities at comparable companies and the awards given by the Corporation in prior years.
6. Approve any employment agreements, consulting arrangements and severance or retirement arrangements covering any executive officer of the Corporation.
7. Review and make recommendations to the Board of Directors, or approve, the Corporation's policies and procedures with respect to executive officers' expense accounts and perquisites.
8. Produce the annual report on executive compensation required to be included in the Corporation's annual proxy statement in accordance with applicable securities legislation.
9. At least annually, review and recommend to the Board of Directors the form and amount of director compensation and any additional compensation to be paid for service on Board of Directors committees or for service as a chairperson of a committee. In making its recommendations, the Compensation Committee shall give due consideration to what is customary compensation for directors of comparable companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in its charter and the Corporation's Corporate Governance Guidelines.
10. Review and make recommendations to the Board of Directors regarding directors' and officers' indemnification and insurance matters.
11. Reassess the adequacy of the Compensation Committee's charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full Board of Directors for review, discussion and approval.
12. The Compensation Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer or director compensation and shall have the authority to approve the consultant's fees and other retention terms.

13. The Compensation Committee shall have the authority, without having to seek Board of Directors approval, to obtain, at the expense of the Corporation, advice and assistance from internal and external legal, accounting or other advisors as it deems advisable.
14. The Compensation Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Compensation Committee's scope of responsibilities.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee consists of three (3) members of the Board of Directors, Charles Frumberg (Chair), Brian Schachter and Sam Chebib, two of whom are considered to be independent.

The members of the Nominating/Corporate Governance Committee are appointed by a majority vote of the Board of Directors from among its members and serve until such member's successor is duly appointed and qualified or until such member's resignation or removal by laws and regulatory bodies, such as a majority vote of the Board of Directors.

The purpose of the Nominating/Corporate Governance Committee is to:

- (i) identify individuals qualified to become a member of the Board of Directors and recommend such individuals to the Board of Directors for nomination for election to the Board of Directors;
- (ii) make recommendations to the Board of Directors concerning committee appointments;
- (iii) develop, recommend and annually review corporate governance guidelines for the Corporation and oversee corporate governance matters; and
- (iv) coordinate an annual evaluation of the Board of Directors.

The Nominating/Corporate Governance Committee has the following specific authority and responsibilities:

1. Determine the criteria, objectives and procedures for selecting members of the Board of Directors. The Nominating/Corporate Governance Committee shall consider factors such as independence, diversity, integrity, skills, expertise, breadth of experience, knowledge about the Corporation's business or industry and willingness to devote adequate time and effort to Board of Directors responsibilities in the context of the existing composition and needs of the Board of Directors and its committees.
2. Actively seek individuals qualified to become members of the Board of Directors and recommend such individuals to the Board of Directors for nomination for election to the Board of Directors by the Shareholders or for appointment by the Board of Directors to fill a vacancy. The Nominating/Corporate Governance Committee shall also review potential candidates for the Board of Directors suggested to it and report to the Board of Directors regarding the results of such review.
3. Review all nominations for re-election of members of the Board of Directors and report to the Board of Directors regarding the results of such review.
4. Identify members of the Board of Directors qualified to fill any vacancies on a committee of the Board of Directors and recommend that the Board of Directors appoint the identified member or members to the respective committee.

5. Review the appropriateness of continued service of the Board of Directors members whose circumstances, including business or professional affiliations or responsibilities, have changed or who contemplate accepting a directorship on another public company board or an appointment to an audit or compensation committee of another public company board.
6. Oversee the Corporation's orientation process for newly elected members of the Board of Directors and assist the Board of Directors in its implementation. The Nominating/Corporate Governance Committee shall also regularly assess the adequacy of and need for additional continuing director education programs.
7. Have the authority to retain and terminate any search firm to be used to identify director candidates, including authority to approve the search firm's fees and other retention terms.
8. Develop and recommend to the Board of Directors corporate governance guidelines for the Corporation and assess those guidelines at least annually.
9. Oversee that the Corporation has an adequate system and procedures for the education, development and orderly succession of senior managers throughout the Corporation and, at least annually, review the Chief Executive Officer's short and long-term succession plans for the Chief Executive Officer and other senior management positions and report to the Board of Directors on succession planning.
10. Coordinate the evaluation of the Board of Directors and its committees to determine whether they are functioning effectively and meeting their objectives and goals.
11. Have the authority, without having to seek Board of Directors approval, to obtain, at the expense of the Corporation, advice and assistance from internal or external legal, accounting or other advisors as it deems advisable.
12. Have the authority to conduct or authorize investigations into or studies of any matters within the Nominating/Corporate Governance Committee's scope of responsibilities.

Orientation and Continuing Education

The Board of Directors takes a number of measures to familiarize new directors with its duties, various committees and nature of the issuer's operations.

Once a director's appointment to the Board of Directors has been approved, the newly appointed member is given a copy of the Board of Director's Manual as well as the Corporation's Corporate Policy Manual so that they can familiarize themselves with the Corporation's procedures and practices, including those of the Board of Directors. The newly appointed member is also asked to meet with each member of the Nominating/Corporate Governance Committee to further familiarize themselves with the Board of Director's responsibilities and how it applies corporate governance guidelines.

In addition, each quarter every Board of Directors member receives an update on the status of the business and is presented with the Corporation's interim financial statements, strategic objectives, and budget report that compares actual results against those that were projected for the given period. During these quarterly meetings, directors periodically receive continuing education updates on matters affecting the Corporation such as the implementation of International Financial Reporting Standards (“IFRS”).

Ethical Business Conduct

The Corporation has adopted a written code for its directors, officers and employees which can be obtained on SEDAR (www.sedar.com).

The Board of Directors satisfies itself regarding compliance in that all employees, directors and officers are encouraged to report violations to the Chair of the Audit Committee and the code is reviewed annually to assess whether any further enhancements to the code are needed.

Nomination of Directors

The Nominating/Corporate Governance Committee identifies new candidates for the Board of Directors by asking each member to submit a number of individuals they deem to be suitable for nomination. A profile of each nominee is presented to the Board of Directors at regularly scheduled meetings and a majority vote determines appointments.

Compensation

The process by which the Board of Directors determines compensation for the Corporations' employees is as follows. The President and Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation of the employees of the Corporation, which must be approved by the Compensation Committee before being finalized. In turn, the Compensation Committee makes recommendations regarding the compensation of the President and Chief Executive Officer.

Assessments

The Board of Directors and its various committees are assessed annually with respect to their effectiveness and contribution. The following is a list of questions that both the Board of Directors and each individual committee must complete to this end.

Board of Directors/committees

1. Are Board of Directors' or committee members adequately informed by Management in advance of Board of Directors meetings to constructively participate in discussions regarding Nightingale's business?
2. Is frank and open discussion encouraged at Board of Directors or committee meetings?
3. Are the right matters brought before the Board of Directors or committee? Are there other matters which you believe should be brought before the Board of Directors or committee for discussion or for its approval?
4. Are the respective roles and responsibilities of the Board of Directors or committee and Management properly understood? If not, how could this be improved?
5. In your opinion, is the composition of the Board of Directors or committee and its methods of operation appropriate to serve the interest of the Nightingale's Shareholders?

APPENDIX "C"

Nightingale Informatix Corporation

Audit Committee Charter

Committee Objectives

The purpose of the Audit Committee is to assist the Board of Directors in its oversight of:

- (1) the integrity of the financial reporting of the Corporation,
- (2) the independence and performance of the Corporation's external auditors, and
- (3) the Corporation's compliance with legal and regulatory requirements.

Committee Composition

The Audit Committee shall consist of at least three members of the Board, who are independent of management, who are financially literate and who in the Board's judgment are qualified to carry out the Committee's obligations as detailed in this charter.

The Audit Committee shall have the authority to retain special legal, accounting actuarial or other consultants to advise or inform the Committee. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Authority and Responsibilities

The Audit Committee shall have the following specific authority and responsibilities:

1. Review the annual audited and quarterly financial statements, MD&A and associated press release (along with any corresponding regulatory filings) with management, and the independent auditors, including significant issues and judgments regarding accounting and auditing principles and practices, prior to their public release.
2. Review major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditor or management. This also includes an analysis of the effect of alternative GAAP and other reporting methods on the Corporation's financial statements.
3. Review the system of internal control and meet periodically with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
4. Establish procedures for the handling of complaints and employee concerns regarding accounting or auditing matters.
5. Advise the Board in selecting, evaluating or replacing the independent auditors, who shall report directly to the Committee.
6. Review the fees of the independent auditors for audit and non-audit services, and review the Corporation's policies on retention of the independent auditors for non-audit services and fee arrangements.

7. Review and approve the hiring policy as it may relate to hiring of partners and employees of current and former auditors.
8. Receive and discuss with the independent auditor the auditor's periodic reports regarding its independence and, if the Audit Committee so determines, recommend that the Board take appropriate action to satisfy itself of the independence to the auditor.
9. Review with the independent auditors any issues the auditors may have encountered and any management letter provided by the auditors and the Corporation's response to that letter. This review should include, among other things, issues encountered in the course of audit work, including restrictions on the scope of activities or access to required information.
10. Directly oversee the work of the independent auditor and approve all work carried out by them, including non-audit work.
11. Obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Generally Accepted Audit Standards ("GAAS"), which set forth procedures to be followed in the audit of financial statements.
12. Review significant adverse audit findings made by the independent auditors and management's responses.
13. Advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations.
14. Review with management, the Corporation's counsel, the actuary and independent auditors (1) legal matters that may have a material impact on the financial statements, (2) accounting or compliance policies, and (3) any material reports or inquiries received from regulators, governmental agencies or employees that raise material issues regarding the Corporation's financial statements and accounting or compliance policies.
15. Meet with the chief financial officer and the independent auditors in separate executive sessions at least annually.
16. Report the Committee's activities to the Board regularly and recommend action when appropriate.
17. Review this Charter annually and recommend any changes to the Board for approval.

The function of the Audit Committee is oversight. While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.