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MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management and the directors of EUROCONTROL TECHNICS GROUP INC. (the "Corporation") for use at the annual and special meeting of the shareholders of the Corporation (the "Meeting") to be held at the head office of the Corporation, 365 Bay Street, Suite 400, Toronto, Ontario at 11:00 a.m. (Toronto time), on Tuesday, June 21, 2016, and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "Notice of Meeting"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of the solicitation will be borne directly by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

This Management Information Circular is being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Corporation or its agent has sent this Management Information Circular directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Non-Registered Shareholders

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Non-Registered Shareholder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) 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 Management Information Circular and its

form of proxy (collectively the "Meeting Materials") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given 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 Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Management Information Circular are directors and/or officers of the Corporation. A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to TMX Equity Transfer Services in time for use at the Meeting in the manner specified in the Notice of Meeting.

A registered shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Corporation, 365 Bay Street, Suite 400, Toronto, Ontario, Canada M5H 2V1, at any time prior to 5:00 p.m. (Toronto time) on the second last business day preceding the day of the Meeting or any adjournment thereof, (ii) with TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1, at any time prior to 5:00 p.m. (Toronto time) on the second last business day preceding the day of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney of the shareholder of the Corporation authorized in writing or, if the shareholder of the Corporation is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares. Each Common Share entitles the holder of record thereof to one vote per Common Share at all meetings of the shareholders of the Corporation. As at the close of business on May 18, 2016, there were 91,923,238 Common Shares outstanding.

Record Date

The directors of the Corporation have fixed May 9, 2016 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Shareholders of the Corporation of record at the close of business on May 9, 2016, will be entitled to vote at the Meeting and at all adjournments thereof.

Ownership of Securities of the Corporation

As at May 18, 2016, to the knowledge of the directors and officers of the Corporation, as at the date of this Management Information Circular, other than SICPA Finance S.A. which owns 9,276,500 common shares representing 10.09% of the issued and outstanding shares of the Corporation on the date of this Circular, no other person or corporation beneficially owns, directly or indirectly, or 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.

PARTICULARS OF MATTERS TO BE ACTED UPON

(1) Presentation of Financial Statements

At the Meeting, the Chairman of the Meeting will present to Shareholders the audited consolidated financial statements of the Corporation for the year ended December 31, 2015 and the auditor's report thereon.

(2) Election of Directors

The Board of Directors currently consists of four (4) directors. The table and the notes thereto state the names of all persons nominated by management for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof. Each director of the Corporation holds office until his successor is elected at the next meeting of the Corporation, or any adjournment thereof, or until his successor is elected or appointed.

Name, Province or State and Country of Residence	Position with the Corporation	Director of the Corporation Since	Principal Occupation for Five Preceding Years	# of Common Shares Owned or Controlled ⁽¹⁾
W. Bruce Rowlands Ontario, Canada	Chairman, Chief Executive Officer	April 1, 2006	Chief Executive Officer of the Corporation since April 1, 2006 and Chairman and Chief Executive Officer of the Corporation since June 20, 2012.	2,364,666
Dennis Logan ⁽²⁾⁽³⁾	Director	June 25, 2015	Chief Financing Officer for Almonty Industries Inc., since September 2011; former Managing Director, Investment Banking, Desjardins Securities Inc. from June 2007 to September 2011.	Nil
Kenneth Wawrew ⁽²⁾⁽³⁾ Ontario, Canada	Director	October 11, 2012	Director, SynergX Technologies Inc. since January 2004, former Chairman, President and CEO, SynergX from January 2004 to April 2012.	100,000
Paul Wood ⁽²⁾⁽³⁾ Ontario, Canada	Director	October 11, 2012	President, Kappa Advisors Ltd. since May 2004; and former Vice President, Corporate Finance, Boswell Capital Corp. from March 2011 to April 2012.	350,500

Notes:

- (1) The information as to Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by directors individually.
 (2) Member of the Audit Committee.
 (3) Member of the Compensation Committee.

As at the date of this management information circular, the directors and senior officers of the Corporation as a group, directly and indirectly, beneficially own or exercise control or direction over 4,389,166 Common Shares, representing approximately 4.8% of the issued and outstanding Common Shares.

None of the directors or executive officers:

- (a) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company that:
- (i) was the subject of an order (as defined in Multilateral Instrument 51-102F5) that was issued while the director or executive officer was acting in the capacity as director, chief executive

officer or chief financial officer; or

- (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is at the date hereof, or has been within 10 years before the date of this Circular, a director or executive officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before 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 director, executive officer or shareholder.

Majority Voting Policy

The Corporation has adopted a majority voting policy pursuant to which any nominee proposed for election as a director in an uncontested election who receives, from the shares voted at the meeting in person or by proxy, a greater number of shares “withheld” than shares voted “in favour” of their election, must promptly tender his or her resignation to the Chairman of the Board.

Following the Chairman’s receipt of a resignation submitted pursuant to this policy, the Board of Directors shall consider whether or not to accept the resignation. In considering whether or not to accept the resignation, the Board of Directors will consider all factors including, without limitation, the number of votes cast at the meeting; the reasons, if known, why shareholders withheld votes from the election of that nominee; any alternatives for curing the underlying cause of the withheld votes; the length of service and the qualifications of the director whose resignation has been submitted, such director’s past and expected future contributions to the Corporation and the Board of Directors; the overall composition of the Board of Directors, including relative mix of skills and experience; whether by accepting such resignation the Corporation would no longer be in compliance with any applicable law, rule, or regulation, or securities exchange listing or other governance requirements or policies; and whether or not accepting the resignation is in the best interest of the Corporation and its shareholders.

Within 90 days of the shareholders’ meeting, the Board of Directors will make a final decision and announce its decision, including any reasons for not accepting a resignation, by way of press release. The director who has tendered his or her resignation will not participate in any deliberations on the resignation offer. If accepted, the resignation will take effect upon acceptance by the Board of Directors. In the event that any director who receives a greater number of proxy votes “withheld” than votes “in favour” of such director’s election does not tender his/her resignation in accordance with this policy, he/she will not be re-nominated by the Board.

Proxies received in favour of management will be voted FOR the election of the above-named nominees, unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

(3) Appointment of Auditor

Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to appoint the firm of Zeifmans LLP, Chartered Accountants (“Zeifmans”), to serve as the auditor of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditor’s remuneration as such. Zeifmans was retained as auditor of the Corporation on September 9, 2014.

Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Zeifmans LLP, Chartered Accountants, to serve as auditor of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

(4) Approval of Stock Option Plan

The Corporation maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees, consultants and other service providers of the Corporation and its subsidiaries in order to assist the Corporation in attracting, retaining and motivating such persons by providing them with the opportunity, through stock options ("Options"), to acquire an increased proprietary interest in the Corporation.

The Plan is a "rolling" stock option plan under TSX Venture Exchange – Corporate Finance Manual – *Policy 4.4 – Incentive Stock Options* (the "Exchange Policy") as under the Plan the Corporation is authorized to grant Options of up to 10% of its issued and outstanding Common Shares at the time of the Option grant, from time to time, with no vesting provision. As of May 18, 2016, Options to purchase an aggregate of 6,925,000 Common Shares are outstanding under the Plan leaving a balance of 2,267,324 Options available for issuance under the Plan.

Under the Plan, Options may be granted to employees, officers and certain consultants of the Corporation and designated affiliates. The Plan is designed to advance the interests of the Corporation by encouraging employees, officers and eligible consultants to have equity participation in the Corporation through the acquisition of Common Shares. In determining the terms of each grant of Options, consideration is given to the participant's present and potential contribution to the success of the Corporation.

The terms and conditions of each Option granted under the Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and Exchange guidelines. Consequently, the exercise price for any Option shall not be lower than the market price of the underlying Common Shares at the time of grant. Vesting terms will be determined at the discretion of the Board of Directors. The Board of Directors shall also determine the term of Options granted under the Plan, provided that no Option shall be outstanding for a period greater than five years.

The Plan provides for amendment procedures that specify the kind of amendments to the Plan that will require shareholder approval. The Board of Directors believes that except for certain material changes to the Plan it is important that the Board of Directors has the flexibility to make changes to the Plan without shareholder approval. Such amendments could include making appropriate adjustments to outstanding Options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of Options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Plan does not provide for the transformation of Options granted under the Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.

Directors, officers, employees and certain consultants shall be eligible to receive Options under the Plan. Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any Option shall be in the discretion of the Board of Directors. In general, the Corporation expects that Options will be cancelled 90 days following an optionholder's termination from the Corporation. Options granted under the Plan shall not be assignable.

The Corporation does not provide financial assistance to any optionholder to facilitate the exercise of Options under the Plan.

The Shareholders are being asked to approve and confirm the Plan. A copy of the Plan is attached hereto as Schedule A. In order to confirm and approve the Plan a majority of votes cast at the meeting must be voted in favour of the Plan. In the event that the Plan is approved by shareholders, the Corporation's current Plan will be discontinued and Options that have been granted will be transferred to the Plan.

Accordingly, shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT the Corporation's Plan as described in the Management Information Circular dated May 18, 2016, be and it is hereby confirmed including reserving for the issuance under the Plan at any time a maximum of 10% of the issued and outstanding shares of the Corporation."

The Board of Directors recommend that the Corporation's shareholders vote FOR the confirmation of the Plan. Unless a shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Plan, the persons named in the enclosed form of proxy intend to vote FOR the Resolution.

(5) Confirmation and Ratification of the New General By-Laws

On May 18, 2016, the Board of Directors of the Corporation adopted a resolution to repeal the Corporation's former general by-laws (the "Initial General By-Laws") and approve new general by-laws of the Corporation (the "New General By-Laws"), with a view to providing the Corporation with a more concise set of by-laws which are compliant with the *Business Corporations Act* (Ontario) (the "OBCA") and are better adapted to the current state of affairs of the Corporation. The full text of the New General By-Laws is set forth in Schedule C to this Management Information Circular.

The New General By-Laws include provisions that establish a framework for advance notice of nominations of directors by shareholders of the Corporation (the "Advance Notice By-law"). The Advance Notice By-law sets a deadline for a certain number of days before a shareholders' meeting for a shareholder to notify us of its intention to nominate one or more directors, and explains the information that must be included with the notice for it to be valid. The Advance Notice By-law applies at an annual meeting of shareholders or a special meeting of shareholders that was called to elect directors, and may be waived by the Board. It does not affect the ability of shareholders to requisition a meeting or nominate directors through a shareholder proposal, in accordance with the OBCA.

The Board of Directors believes that the New General By-Laws provide updates that are in accordance with evolving corporate governance practices, and also facilitate orderly and efficient shareholders' meetings. In particular, the Advance Notice By-law is intended to increase transparency and promote informed decision making by providing all shareholders with reasonable notice of director nominations and sufficient information to vote on all the director nominees.

In accordance with the OBCA, the Shareholders must confirm and ratify the repeal of the Corporation's Initial General By-Laws and the enactment of the New General By-Laws at the Meeting by way of ordinary resolution. If rejected, the New General By-Laws cease to be effective on the date rejected by the shareholders. The New General By-Laws are effective until confirmed, confirmed as amended, or rejected by shareholders at the meeting. If confirmed, the New General By-Laws will continue in effect.

Accordingly, at the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the following resolution (the "By-Law Resolution"), approving, confirming and ratifying the repeal of the Initial General By-Laws and the enactment of the New General By-Laws:

"BE IT RESOLVED THAT:

1. The repeal of the general by-laws of Eurocontrol Technics Group Inc. (the "Corporation") as authorized and approved by the directors of the Corporation on May 18, 2016, be and is hereby ratified and confirmed;
2. The new general by-laws of the Corporation, a copy of which is attached as Schedule C to the management information circular of the Corporation dated May 18, 2016 (the "Management Information Circular"), as authorized and approved by the directors of the Corporation on May 18, 2016, as further described in the Information Circular, be and are hereby ratified and confirmed (the "New General By-Laws");
3. The board of directors of the Corporation be and is hereby authorized on behalf of the Corporation to make any amendments to the New General By-Laws as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without

further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the New General By- Laws; and

4. Any director or officer of the Corporation be and each of them is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action, which, in such director's or officer's own discretion, is necessary or desirable to give effect to this resolution."

The Board considers the adoption of the New General By-Laws and the repeal of the Initial General By-Laws to be in the best interests of the Corporation and its Shareholders and accordingly, the Board unanimously recommends that the Shareholders vote IN FAVOUR of the adoption of the By-Law Resolution, to approve, confirm and ratify the repeal of the Corporation's Initial General By-Laws.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Management Information Circular, a Named Executive Officer ("NEO") of the Corporation means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Corporation;
- (b) a chief financial officer ("CFO") of the Corporation;
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The Corporation currently has the following three (3) NEOs: Bruce Rowlands, Chairman and CEO; Andres Tinajero, CFO, Doron Reinis, Chief Operating Officer ("COO") of the Corporation and President of Xenemetrix Ltd. ("Xenemetrix") and XwinSys Technology Development Ltd. ("XwinSys"), wholly-owned subsidiaries of the Corporation.

Director and Named Executive Officer Compensation

Director and named executive officer compensation, excluding compensation securities

The following table sets forth a summary of the compensation paid to the NEOs and the directors for the two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bruce Rowlands <i>Chairman/CEO</i>	2015	200,000	250,000	Nil	Nil	Nil	450,000
	2014	200,000	Nil	Nil	Nil	Nil	200,000
Andres Tinajero <i>CFO</i>	2015	100,000	50,000	Nil	Nil	Nil	150,000
	2014	100,000	Nil	Nil	Nil	Nil	100,000
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	2015	276,113	70,425	Nil	Nil	Nil	346,538
	2014	238,485	81,315	Nil	Nil	Nil	319,800
Doron Renis ⁽²⁾ <i>COO</i>	2015	372,195	Nil	Nil	Nil	Nil	372,195
	2014	341,167	Nil	Nil	Nil	Nil	341,167
James Fairbairn ⁽³⁾ <i>Director</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Dennis Logan ⁽⁴⁾ <i>Director</i>	2015	Nil	Nil	15,000	Nil	Nil	15,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A
Sir Michael Rose ⁽⁵⁾ <i>Director</i>	2015	15,660	Nil	Nil	Nil	Nil	15,660
	2014	13,249	Nil	Nil	Nil	Nil	13,249
Kenneth Wawrew <i>Director</i>	2015	Nil	Nil	15,000	Nil	Nil	15,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Paul Wood <i>Director</i>	2015	Nil	Nil	20,000	Nil	Nil	20,000
	2014	Nil	Nil	5,000	Nil	Nil	5,000
Eli Zahavi ⁽⁶⁾ <i>Director</i>	2015	96,041	Nil	Nil	Nil	Nil	96,041
	2014	82,808	Nil	Nil	Nil	Nil	82,808
Notes:							
(1) Gadi Gonen resigned as director and COO on January 4, 2016 on the closing of the Corporation's sale of Global Fluids International (GFI) S.A. ("GFI") to SICPA Finance S.A. ("SICPA"). Gadi Gonen's compensation was paid in USD. The amounts include foreign exchange of \$75,445 and \$22,486, respectively being an exchange rate of 1.2783 for 2015 and 1.1041 for 2014.							
(2) Doron Renis was appointed COO on January 4, 2016. The compensation included for Doron Renis reflects the full payment to Business Process Systems Ltd. (see NEO Employment Agreements below), a company that is 50% owned by Doron Renis. The compensation is paid in USD and the amounts include foreign exchange of \$81,031 and \$32,167, respectively being an exchange rate of 1.2783 for 2015 and 1.1041 for 2014.							
(3) James Fairbairn did not stand for re-election at the Corporation's annual and special meeting held June 25, 2015.							
(4) Dennis Logan was appointed as director on June 25, 2015.							
(5) Sir Michael Rose resigned as director on January 4, 2016 on the closing of the Corporation's sale of GFI to SICPA							
(6) Eli Zahavi resigned as director on January 4, 2016 on the closing of the Corporation's sale of GFI to SICPA. Eli Zahavi's compensation for consulting services as Chairman of GFI was paid in USD. The amounts include foreign exchange of \$20,909 and \$7,808, respectively being an exchange rate of 1.2783 for 2015 and 1.1041 for 2014.							

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each NEO and director of the Corporation all compensation securities granted or issued to such NEO and director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Bruce Rowlands <i>Chairman/CEO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andres Tinajero <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Doron Renis <i>COO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Fairbairn ⁽²⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dennis Logan <i>Director</i>	Stock Option	375,000	June 30, 2015	\$0.13	\$0.13	\$0.185	June 30, 2020
Sir Michael Rose ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenneth Wawrew <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Wood <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eli Zahavi ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes:							
(1) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors effective January 4, 2016.							
(2) James Fairbairn did not stand for re-election at the Corporation's annual and special meeting held June 25, 2015							

Exercise of Share-Based Awards and Option-Based Awards

The following table sets out for each NEO and director of the Corporation all compensation securities exercised in the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Bruce Rowlands <i>Chairman/CEO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andres Tinajero <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Doron Renis <i>COO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Fairbairn ⁽²⁾ <i>Director</i>	Stock Option	375,000	\$0.10	September 16, 2015	0.185	0.085	31,875
Dennis Logan <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sir Michael Rose ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenneth Wawrew <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Wood <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eli Zahavi ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes:							
(1) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors effective January 4, 2016.							
(2) James Fairbairn did not stand for re-election at the Corporation's annual and special meeting held June 25, 2015							

External Management Companies

W. Bruce Rowlands

Bruce Rowlands, the Corporation's Chairman and CEO, provides his services to the Corporation in accordance with the terms of an independent contractor agreement through his holding company W. B. Rowlands & Company Ltd. (the "W. B. Rowlands Agreement"). Under the terms of the agreement, a monthly retainer of \$16,666.67 per month (plus HST) is paid for the services of Bruce Rowlands. The W. B. Rowlands Agreement also includes a termination clause that provides for a termination buy-out equal to 12 months of the monthly retainer and a buy-out equal to 36 months of the monthly retainer in the event of a change of control.

Andres Tinajero

Andres Tinajero, the Corporation's CFO, provides his services to the Corporation in accordance with the terms of an independent contractor agreement through his holding company, 2222263 Ontario Ltd. (the "2222263 Ontario Agreement"). Under the terms of the Agreement, a monthly retainer of \$8,333 (plus HST) is paid by the Corporation for the services of Andres Tinajero. The 2222263 Ontario Agreement also includes a termination clause that provides for a termination payout equal to six months of the monthly retainer and a buy-out equal to 12 months of the monthly retainer in the event of a change of control.

Doron Reinis

Doron Reinis, the Corporation's COO, provides his services to the Corporation in accordance with the terms of an independent contractor agreement through Business Processes Logistic Services Ltd. (the "BPLS Agreement"), a company owned 50% by Doron Reinis. Under the terms of the Agreement, a monthly retainer of 80,000 Israeli New Sheqels is paid by the Corporation for the services of Doron Reinis. The BPLS Agreement also includes a termination clause that provides for a termination payout equal to 250,000 Israeli New Sheqels.

NEO Employment and Consulting Agreements

Other than outlined above under External Management Companies, the Corporation has no other arrangements that provide for payments to its NEOs.

Compensation Discussion and Analysis

Director and NEO Compensation

The Compensation Committee of the Corporation's Board of Directors is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Corporation's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Corporation's compensation philosophy.

For the financial year ended December 31, 2015, the objectives of the Corporation's compensation philosophy was to ensure that compensation for its executive officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals.

Compensation for the executive officers is composed primarily of three components: base fees, performance bonuses and the granting of stock options. Performance bonuses are considered from time to time. The determination of each component is based upon formal meetings of the Compensation Committee. In establishing the levels of base fees, the award of stock options and performance bonuses, the Corporation looks to consider individual performance, responsibilities and length of service. The compensation determination process is not based on formal benchmarks.

The Compensation Committee recommends to the Board of Directors the base salary, performance bonus and stock options to be granted to the executive officers. The Board of Directors does not have a pre-determined compensation plan, but rather reviews the performance of the executive officers and considers a variety of factors, when determining compensation levels. These factors, which are informally discussed by the Board of Directors, include the long-term interests of the Corporation and its shareholders, the financial and operating performance of the Corporation and each executive officer's individual performance, contribution towards meeting corporate objectives, responsibilities and length of service. The Board of Directors believes that the

compensation paid to each executive officer during the last fiscal year was commensurate with the executive officer's position, experience and performance.

The compensation philosophy of the Corporation has allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee and the directors of the Corporation will continue to review compensation philosophy to ensure that the Corporation is competitive and that compensation is consistent with the performance of the Corporation.

The directors of the Corporation, in consultation with the Compensation Committee, determine the level of compensation in respect of the senior executive officers of the Corporation. Other than options to purchase Common Shares granted under the Plan, there were no long-term incentive awards made to the NEOs during the most recently completed financial year.

Pension Plan Benefits

There are no pension plan benefits in place for NEOs.

Gender Diversity in Executive Officer Positions

The Corporation has not adopted a formal policy which specifies targets regarding the representation of women in executive officer positions or on its Board of Directors. While the Corporation believes that diversity, including gender diversity, is an important consideration in determining the makeup of its executive team, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility), that are considered in selecting the best candidates for executive positions. At the present time, the Corporation has one woman on its executive team.

Termination and Change of Control Benefits

The Corporation does not have in place any pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Corporation. In connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change of control of the Corporation, its subsidiaries or affiliates. If a severance payment triggering event had occurred on December 31, 2015, the severance payments that would have been payable to each of the NEOs would be as shown in the adjacent table.

Name	Termination by the Corporation (\$)	Change of Control (\$)
Bruce Rowlands	200,000	600,000
Gadi Gonen ⁽¹⁾	69,028	276,113
Andres Tinajero	50,000	100,000
Doron Reinis ⁽²⁾	71,086	71,086
Total	380,707	1,009,572
Notes:		
(1) Gadi Gonen resigned as director and COO effective January 4, 2016. The termination and change of control amounts shown include foreign exchange of \$15,028 and \$60,113, respectively utilizing an exchange rate of 1.2783.		
(2) Doron Reinis is paid through an agreement with BPLS, a company he holds a 50% interest in. The amount indicated includes foreign exchange of \$15,476 utilizing an exchange rate of 1.2783.		

Compensation of Directors

During the financial year ended December 31, 2015, the non-executive directors were paid special committee fees in relation to the sale of Corporation's former subsidiary, GFI to SICPA. During the financial year of the Corporation ended December 31, 2015, 375,000 stock options were granted to non-executive directors.

In addition, non-executive directors of the Corporation are entitled to receive compensation to the extent that they provide services (other than in their capacity as a director) to the Corporation at rates that would be charged by such directors for such services to arm's length parties.

Equity Compensation Plan Information

The following table sets forth aggregated information as at December 31, 2015 with respect to compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	6,862,500	\$0.11	2,091,074
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	6,862,500	\$0.11	2,091,074
Note: (1) The Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Plan will not exceed 10% of the issued shares of the Corporation at the time of the stock option grant. As at May 18, 2016, 8,916,074 Common Shares may be reserved for issuance pursuant to the Plan.			

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There was no indebtedness of any director or officer of the Corporation or of any proposed nominee for election as a director of the Corporation to, or guaranteed or supported by, the Corporation or any subsidiary thereof either pursuant to an employee stock purchase program or any other programs of the Corporation or a subsidiary or otherwise during the financial year of the Corporation ended December 31, 2015.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or officer of the Corporation or any proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Corporation, nominees for director, who beneficially owns more than 10% of the outstanding shares of the Corporation, or any known associate or affiliate of such persons in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation other than as disclosed elsewhere herein.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management of the Corporation consider good corporate governance to be central to the effective and efficient operation of the Corporation.

National Instrument 58-101 – *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, certain prescribed disclosure in respect of corporate governance matters be included in its management information circular.

The Exchange also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 – *Corporate Governance Disclosure* ("Form 58-101F2") and is set out on the following pages.

National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, the Board of Directors considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement the corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations.

Form 58-101F2 – Corporate Governance Disclosure

Board of Directors

The Board of Directors is currently composed of four directors. Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 58-101 which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. "Material relationship" is defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, one nominee, Bruce Rowlands, current Chairman and CEO is considered a non-independent director. Mr. Rowlands is a management director and accordingly is not "independent". Each of the remaining three proposed directors: Dennis Logan, Kenneth Wawrew and Paul Wood are considered by the Board of Directors to be "independent", within the meaning of NI 58-101.

The Board of Directors has determined that the current constitution of the Board of Directors is appropriate for the Corporation's current stage of development. The Board of Directors has free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Directorships

The following table sets forth the directors who currently hold directorships with other reporting issuers:

Director	Issuer
Dennis Logan	Almonty Industries Inc.

Participation of Directors in Board Meetings

In the year ended December 31, 2015, four board meetings and six audit committee meetings were held.

The adjacent table outlines attendance by each director.

Director	Attendance / Number of Board Meetings	Attendance / Number of Audit Committee Meetings	Attendance / Number of Compensation Committee Meetings
James Fairbairn ⁽¹⁾	3/3	4/4	1/1
Gadi Gonen ⁽²⁾	3/4	N/A	N/A
Dennis Logan ⁽³⁾	1/1	2/2	0/0
Sir Michael Rose ⁽²⁾	3/4	N/A	N/A
Bruce Rowlands	4/4	N/A	N/A
Kenneth Wawrew	4/4	5/6	1/1
Paul Wood	4/4	6/6	1/1
Eli Zahavi ⁽²⁾	4/4	N/A	N/A
Notes: (1) James Fairbairn resigned as director effective June 25, 2015. (2) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors on January 4, 2016. (3) Dennis Logan was appointed as director effective June 25, 2015.			

Orientation and Continuing Education

The Board of Directors does not have a formal orientation or education program for its members. The Board of Directors' continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically,

members of the Board of Directors have been nominated who are familiar with the Corporation and the nature of its business.

Ethical Business Conduct

The Board of Directors has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of directors it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its directors independent of corporate matters.

Nomination and Assessments

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board of Directors. Prior to standing for election, new nominees to the Board of Directors are reviewed by the entire Board of Directors.

Compensation

The Board of Directors decides the compensation for the Corporation's officers, based on industry standards and the Corporation's financial position. In fiscal 2015, none the year None of the non-executive directors of the Corporation are paid an annual fee for their services as directors of the Corporation, however the Corporation may, from time to time, grant options to purchase Common Shares to non-executive directors of the Corporation. During the financial year of the Corporation ended December 31, 2014, no stock options were granted to non-executive directors.

Other Board Committees

In addition to the Audit Committee, the Board of Directors has also organized a Compensation Committee. The Compensation Committee is currently comprised of three members, Dennis Logan, Kenneth Wawrew (Chair), and Paul Wood. The mandate of the Compensation Committee is to review and make recommendations to the Board of Directors in respect of the level of remuneration and other compensation to be paid to the executive officers of the Corporation. Each member of the Compensation Committee has extensive private sector experience both as part of senior management and as directors of public and private companies.

The directors in consultation with the Compensation Committee determine the level of compensation in respect of the senior executive officers of the Corporation. Other than options to purchase Common Shares granted under the Plan, there were no long-term incentive awards made to the NEOs during the most recently completed financial year.

Assessment of Directors, the Board and Board Committees

Currently the Board of Directors has not implemented a formal process for assessing the performance of the Board of Directors, its committees, or its individual directors. At present, the Board of Directors monitors the adequacy of information provided to directors, the communications between the Board of Directors and management and the strategic direction and processes of the Board of Directors and its Audit Committee, to satisfy itself that the Board of Directors, its Audit Committee and its individual directors are performing effectively.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* ("NI 52-110") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in accordance with the Corporation's annual meeting. The members of the Audit Committee are "independent" directors and all are financially literate for purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Corporation's Audit Committee is attached hereto as Schedule B.

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three directors: Dennis Logan (Chair), Kenneth Wawrew and Paul Wood.

Relevant Education and Experience

Dennis Logan - Mr. Logan is a director of the Corporation and a Chartered Professional Accountant (CPA, CA). Mr. Logan received both his BA and his MBA from the University of Toronto and received his Chartered Accountant designation in 1996. Dennis Logan is a director and the Chief Financing Officer for Almonty Industries Inc., a TSX Venture Exchange listed company. Prior to joining Almonty in 2011, Dennis Logan spent 13 years in the investment banking community where he held a number of senior management positions including Managing Director, Investment Banking at Desjardins Securities Inc. from 2007 to 2011 and Director, Investment Banking at Westwind Partners Inc. and Partner at Loewen Ondaatje McCutcheon Limited. Mr. Logan is an independent director of the Corporation for the purpose of MI 52-110.

Kenneth Wawrew - Mr. Wawrew is a director of the Corporation and has over 40 years of experience in high technology industries. Mr. Wawrew is a current director and the former President and CEO of SynergX Technologies Inc., a world leading company involved in glass inspection technologies. NOVACAP acquired control of SynergX in 2012. Prior to joining SynergX, Mr. Wawrew was CEO of Image Processing Systems Inc., a TSX listed company that was named one of the fast growing companies in Canada and was listed by Deloitte & Touche in their Fast 50 report for three consecutive years. Image Processing Systems was acquired by Photon Dynamics, a NASDAQ listed company and Mr. Wawrew joined Photon Dynamics as Corporate Vice President, Business Development and Director. Having held a number of senior executive and director positions, Mr. Wawrew has well rounded experience that includes public company finance, mergers and acquisitions, marketing and international sales providing him with the experience to be a valued member of the Corporation's Audit Committee and Compensation Committee. Kenneth Wawrew graduated from the University of Waterloo in 1971 with a Bachelor of Mathematics and Computer Science degree. Mr. Wawrew is an independent director of the Corporation for the purposes of MI 52-110.

Paul Wood - Mr. Wood is a director of the Corporation and an independent businessman with 25 years experience. He is the President of Kappa Advisors Ltd, an independent investment and consulting services company in corporate development, commercialization, intellectual property licensing, special situations and restructuring. In his consulting capacity, he has supported clients around the world, including Asia and Africa, as well as on behalf of OMERS, a \$55+ billion pension fund. Prior to the formation of Kappa Advisors, Mr. Wood was Director of Corporate Development for Celestica Inc., a global electronics manufacturing services company, where he led M&A and restructuring teams. He has also worked in Corporate Development for Spar Aerospace and as Vice President for Ernst & Young Corporate Finance. Mr. Wood obtained his MBA in Finance from the University of Toronto and a BA in Economics, Philosophy and Politics from Dalhousie. Mr. Wood is an independent director of the Corporation for the purpose of MI N2-110.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation during the fiscal years ended December 31, 2015 and December 31, 2014:

Year Ended	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
December 31, 2015 ⁽¹⁾	46,000	Nil	10,700	27,837
December 31, 2014	46,000	Nil	Nil	Nil
Note: (1) For the period ended December 31, 2015, the number included for Audit Fees is the accrual amount based on Zeifmans LLP audit quote due to the Company not having received an invoice from the auditor at the time of printing.				

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

Exemption

The Corporation is relying on the exemptions set out in subsection 6.1 of NI 52-110, which provide that a TSX Venture issuer is exempt from the audit committee composition and reporting obligation requirements set out in NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Further financial information is provided in the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2015 and related management's discussion and analysis of results which accompany this Management Information Circular and have also been filed on SEDAR. Shareholders may also contact Charlotte May, the Corporate Secretary of the Corporation, by phone at (416) 364-3353 or by e-mail at cmay@eurocontrol.ca to request a copy of these documents.

The Corporation will provide any shareholder of the Corporation, without charge, upon request to the Corporate Secretary of the Corporation:

- (a) one copy of the comparative audited consolidated financial statements of the Corporation for the financial year ended December 31, 2015, together with the report of the auditor thereon;
- (b) one copy of the management's discussion and analysis for the financial year ended December 31, 2015; and
- (c) one copy of this Management Information Circular.

APPROVAL

The contents of this Management Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

DATED at Toronto, Ontario this 18th day of May, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"W. Bruce Rowlands"

W. Bruce Rowlands
Chairman and Chief Executive Officer

SCHEDULE A

2016 STOCK OPTION PLAN

1. STATEMENT OF PURPOSE

- 1.1 **Principal Purposes** – The principal purposes of the Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors and consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new employees, officers, directors and consultants to the Company.
- 1.2 **Benefit to Shareholders** – The Plan is expected to benefit shareholders by enabling the Company to attract and retain skilled and motivated personnel by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

2. INTERPRETATION

- 2.1 **Defined Terms** – For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (b) **“Affiliate”** shall have the meaning ascribed to such term in the Act;
- (c) **“Associate”** shall have the meaning ascribed to such term in the Act;
- (d) **“Board”** means the Board of Directors of the Company;
- (e) **“Change in Control”** means:
 - (i) a takeover bid (as defined in the Act), which is successful in acquiring Shares,
 - (ii) the change of control of the Board resulting from the election by the members of the Company of less than a majority of the persons nominated for election by management of the Company,
 - (iii) the sale of all or substantially all the assets of the Company,
 - (iv) the sale, exchange or other disposition of a majority of the outstanding Shares in a single transaction or series of related transactions,
 - (v) the dissolution of the Company’s business or the liquidation of its assets,
 - (vi) a merger, amalgamation or arrangement of the Company in a transaction or series of transactions in which the Company’s shareholders receive less than 51% of the outstanding shares of the new or continuing corporation, or
 - (vii) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares;
- (f) **“Committee”** means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;
- (g) **“Company”** means Eurocontrol Technics Group Inc., a company incorporated by continuance under the laws of Ontario;
- (h) **“Consultant”** means an individual, other than an Employee, senior officer or director of the Company or a Related Company, or a Consultant Company, who;

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or a Related Company, other than services provided in relation to a distribution or, unless the Company is a "senior listed issuer", services that are Investor Relations Activities,
 - (ii) provides the services under a written contract between the Company or a Related Company and the individual or Consultant Company,
 - (iii) in the reasonable opinion of the Company spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Related Company, and
 - (iv) has a relationship with the Company or a Related Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **"Consultant Company"** means, for an individual Consultant, a company of which the individual is an employee or shareholder, or a partnership of which the individual is an employee or partner;
- (j) **"Date of Grant"** means the date specified in the Option Agreement as the date on which the Option is effectively granted;
- (k) **"Disability"** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - (i) being employed or engaged by the Company, a Related Company or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or a Related Company; or
 - (ii) acting as a director or officer of the Company or a Related Company;
- (l) **"Disinterested Shareholder Approval"** means an ordinary resolution approved by a majority of the votes cast by members of the Company at a shareholders' meeting, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted and Associates of those persons;
- (m) **"Effective Date"** means the effective date of this Plan, which is the later of the day of its approval by the shareholders of the Company and the day of its acceptance for filing by the Exchange if such acceptance for filing is required under the rules or policies of the Exchange;
- (n) **"Eligible Person"** means:
 - (i) an Employee, senior officer or director of the Company or any Related Company,
 - (ii) a Consultant,
 - (iii) an issuer, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i) above,
 - (iv) a Management Company Employee if at the Date of Grant the Company is a "reporting issuer" as defined in the Act;
- (o) **"Employee"** means:
 - (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

- (ii) an individual who works full-time for the Company or a Related Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source,
 - (iii) an individual who works for the Company or a Related Company, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source;
- (p) **"Exchange"** means the TSX Venture Exchange on which the Shares are listed;
- (q) **"Exchange Act"** means the United States *Securities Exchange Act* of 1934, as amended;
- (r) **"Fair Market Value"** means, where the Shares are listed for trading on an Exchange, the last closing price of the Shares before the Date of Grant on the Exchange which is the principal trading market for the Shares, as may be determined for such purpose by the Committee, provided that, so long as the Shares are listed only on the TSXV, the "Fair Market Value" shall not be lower than the last closing price of the Shares before the Date of Grant less the maximum discount permitted under the policies of the TSXV;
- (s) **"Guardian"** means the guardian, if any, appointed for an Optionee;
- (t) **"Insider"** shall have the meaning ascribed to such term in the Act;
- (u) **"Investor Relations Activities"** means any activities or oral or written communications, by or on behalf of the Company or a shareholder of the Company that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company (A) to promote the sale of products or services of the Company, or (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company,
 - (ii) activities or communications necessary to comply with the requirements of (A) applicable securities laws, (B) the rules and policies of the TSXV, if the Shares are listed only on the TSXV, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company,
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if (A) the communication is only through the newspaper, magazine or publication and (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or
 - (iv) activities or communications that may be otherwise specified by the TSXV, if the Shares are listed only on the TSXV;
- (v) **"Management Company Employee"** means an individual employed by a Person providing management services to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company but excluding a Person engaged in Investor Relations Activities;
- (w) **"Option"** means an option to purchase unissued Shares granted pursuant to the terms of this Plan;

- (x) **"Option Agreement"** means a written agreement between the Company and an Optionee specifying the terms of the Option being granted to the Optionee under the Plan;
- (y) **"Option Price"** means the exercise price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Sections 6.3 and 10;
- (z) **"Optionee"** means an Eligible Person to whom an Option has been granted;
- (aa) **"Person"** means a natural person, company, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;
- (bb) **"Plan"** means this 2015 Stock Option Plan of the Company;
- (cc) **"Qualified Successor"** means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death;
- (dd) **"Related Company"** shall mean a company which is an Affiliate of the Company;
- (ee) **"Shares"** means the common shares in the capital of the Company as constituted on the Date of Grant, adjusted from time to time in accordance with the provisions of Section 10;
- (ff) **"Term"** means the period of time during which an Option may be exercised; and
- (gg) **"TSXV"** means the TSX Venture Exchange.

3. ADMINISTRATION

- 3.1 **Board or Committee** – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2.
- 3.2 **Appointment of Committee** – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, the Board shall administer the Plan.
- 3.3 **Quorum and Voting** – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is to be taken with respect to the granting of an Option to him).
- 3.4 **Powers of Board and Committee** – The Board shall from time to time authorize and approve the grant by the Company of Options under this Plan, and any Committee appointed under Section 3.2 shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board;
 - (a) administration of the Plan in accordance with its terms,
 - (b) determination of all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the value of the Shares,

- (c) correction of any defect, supply of any information or reconciliation of any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan,
- (d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;
- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan,
- (f) with respect to the granting of Options:
 - (i) determination of the employees, officers, directors or consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan,
 - (ii) determination of the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement) and which shall not be inconsistent with the terms of this Plan,
 - (iii) amendment of the terms and provisions of an Option Agreement, provided the Board obtains: (A) the consent of the Optionee, and (B) if required, the approval of any stock exchange on which the Shares are listed,
 - (iv) determination of when Options will be granted,
 - (v) determination of the number of Shares subject to each Option,
 - (vi) determination of the vesting schedule, if any, for the exercise of each Option, and
- (g) other determinations necessary or advisable for administration of the Plan.

3.5 **Obtain Approvals** – The Board will seek to obtain any regulatory, Exchange or shareholder approvals which may be required pursuant to applicable securities laws or Exchange rules.

3.6 **Administration by Committee** – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the Exchange policies and rules.

4. ELIGIBILITY

4.1 **Eligibility for Options** – Options may be granted to any Eligible Person.

4.2 **Insider Eligibility for Options** – Notwithstanding Section 4.1, if the Shares are listed only on the TSXV, grants of Options to Insiders shall be subject to the policies of the TSXV.

4.3 **No Violation of Securities Laws** – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

5. SHARES SUBJECT TO THE PLAN

5.1 **Number of Shares** – The maximum number of Shares issuable from time to time under the Plan is that number of Shares as is equal to 10% of the number of issued Shares at the Date of Grant of an Option. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10.

5.2 **Expiry of Option** – If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

- 5.3 **Reservation of Shares** – The Company will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. **OPTION TERMS**

- 6.1 **Option Agreement** – Each Option granted to an Optionee shall be confirmed by the execution and delivery of an Option Agreement and the Board shall specify the following terms in each such Option Agreement:

- (a) the number of Shares subject to option pursuant to such Option, subject to the following limitations if the Shares are listed only on the TSXV:
 - (i) the number of Shares reserved for issuance pursuant to Options to any one Optionee shall not exceed 5% of the issued Shares in any 12-month period (unless the Company is designated as a “Tier 1” listed company by the TSXV and has obtained Disinterested Shareholder Approval to exceed this number),
 - (ii) the number of Shares reserved for issuance pursuant to Options to any one Consultant shall not exceed 2% of the issued Shares in any 12-month period, and
 - (iii) the aggregate number of Shares reserved for issuance pursuant to Options to Employees and Management Company Employees conducting Investor Relations Activities shall not exceed 2% of the issued Shares in any 12-month period;
- (b) the Date of Grant;
- (c) the Term, provided that, if the Shares are listed only on the TSXV, the length of the Term shall in no event be greater than five years following the Date of Grant, except, if the Company is designated as “Tier 1” listed company by the TSXV, then the Term shall be no greater than ten years following the Date of Grant, for all Optionees;
- (d) the Option Price, provided that the Option Price shall not be less than the Fair Market Value of the Shares on the Date of Grant;
- (e) subject to Section 6.2 below, any vesting schedule upon which the exercise of an Option is contingent;
- (f) if the Optionee is an Employee, Consultant or Management Company Employee, a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or a Related Company; and
- (g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan.

- 6.2 **Vesting Schedule** – The Board, as applicable, shall have complete discretion to set the terms of any vesting schedule of each Option granted, including, without limitation, discretion to:

- (a) permit partial vesting in stated percentage amounts based on the Term of such Option; and
- (b) permit full vesting after a stated period of time has passed from the Date of Grant.

- 6.3 **Amendments to Options** – Amendments to the terms of previously granted Options are subject to regulatory approval, if required. If required by the Exchange, Disinterested Shareholder Approval shall be required for any reduction in the Option Price of a previously granted Option if the Optionee is an Insider of the Company at the time of the proposed reduction in the Option Price.

- 6.4 **Uniformity** – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

- 7.1 **Method of Exercise** – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof, specifying the number of Shares in respect of which the Option is exercised, to the Company at its principal place of business at any time after the Date of Grant until 4:00 p.m. (Toronto time) on the last day of the Term, such notice to be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised and an indication as to suitable arrangements made with the Corporation, in accordance with Section 15.7, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the "**Withholding Obligations**"). Such payment shall be in lawful money (Canadian funds) by cash, cheque, bank draft or wire transfer. Payment by cheque made payable to the Company in the amount of the aggregate Option Price shall constitute payment of such Option Price unless the cheque is not honoured upon presentation, in which case the Option shall not have been validly exercised.
- 7.2 **Issuance of Certificates** – Not later than the third business day after exercise of an Option in accordance with Section 7.1, the Company shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.
- 7.3 **Compliance with U.S. Securities Laws** – As a condition to the exercise of an Option, the Board may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board, a stop-transfer order against such Shares may be placed on the stock books and records of the Company and a legend, indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board may also require such other documentation as may from time to time be necessary to comply with United States' federal and state securities laws. The Company has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

8. TRANSFERABILITY OF OPTIONS

- 8.1 **Non-Transferable/Legending** – Except as permitted by applicable securities laws and the policies of the Exchange, and as provided otherwise in this Section 8, Options are nonassignable and non-transferable. If the Shares are listed only on the TSXV, then, in addition to any resale restrictions under applicable securities laws, if the Company is, at the Date of Grant of an Option, designated as a "Tier 2" listed company by the TSXV or, if the Company is not so designated but the Option Price is based on a discount from the last closing price of the Shares on the TSXV, the Option Agreement and the certificates representing the Shares issued on the exercise of such Option shall bear the TSXV legend with a four-month hold period commencing on the Date of Grant.
- 8.2 **Death of Optionee** – Subject to Section 8.3, if the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Company or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Company or any Related Company, terminates as a result of such Optionee's death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee and shall be exercisable by such Qualified Successor until the earlier of a period of not more than one year following the date of such death and the expiry of the Term of the Option.
- 8.3 **Disability of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Company or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Company or any Related Company, is terminated by reason of such Optionee's Disability, any Options held by such Optionee that could have been exercised immediately prior to such termination of employment or service shall be exercisable by such Optionee, or by his Guardian,

for a period of 30 days following the termination of employment or service of such Optionee. If such Optionee dies within that 30-day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of 30 days following the death of such Optionee and the expiry of the Term of the Option.

8.4 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Company or any Related Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the ninety-first day of such leave.

9. TERMINATION OF OPTIONS

9.1 **Termination of Options** – To the extent not earlier exercised or terminated in accordance with Section 8, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Company or any Related Company, or a Management Company Employee, is terminated for cause, the date of such termination for cause;
- (c) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Company or any Related Company, or a Management Company Employee terminates for a reason other than the Optionee's Disability or death or for cause, not more than 90 days after such date of termination or, if the Shares are listed only on the TSXV and if the Company is designated as a "Tier 2" listed company by the TSXV, then in the case of a person employed to provide Investor Relations Activities, not more than 30 days after such person ceases to be employed to provide Investor Relations Activities; provided that if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination or cessation for the purpose of this Subsection 9.1(c); and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1.

9.2 **Lapsed Options** – If Options are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options. If an Option has been surrendered in connection with the regranting of a new Option to the same Optionee on different terms than the original Option granted to such Optionee, then, if required, the new Option is subject to approval of the Exchange.

9.3 **Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement** – If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any Related Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not vested at that time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

10. ADJUSTMENTS TO OPTIONS

10.1 **Alteration in Capital Structure** – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option

and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the Exchange, and such adjustment shall be effective and binding for all purposes of the Plan.

- 10.2 **Effect of Amalgamation, Merger or Arrangement** – If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised the Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.
- 10.3 **Acceleration on Change in Control** – Upon a Change in Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject.
- 10.4 **Acceleration of Date of Exercise** – Subject to the approval of the Exchange, if required, the Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested.
- 10.5 **Determinations to be Binding** – If any questions arise at any time with respect to the Option Price or exercise price or number of Option Shares or other property deliverable upon exercise of an Option following an event referred to in this Section 10, such questions shall be conclusively determined by the Board, whose decisions shall be final and binding.
- 10.6 **Effect of a Take-Over** – If a *bona fide* offer (the “Offer”) for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of section 92 of the Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject, by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “Optioned Shares”) to the Offer. If:
- (a) the Offer is not completed within the time specified therein; or
 - (b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund to the Optionee any Option Price paid for such Optioned Shares.

11. APPROVAL, TERMINATION AND AMENDMENT OF PLAN

- 11.1 **Shareholder Approval** – This Plan, if the Shares are listed only on the TSXV, is subject to Disinterested Shareholder Approval on a yearly basis at the Company’s next ensuing annual general meeting.
- 11.2 **Power of Board to Terminate or Amend Plan** – Subject to the approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan at any time or amend or revise the terms of the Plan; provided, however, that, except as provided in Section 10, the Board may not do any of the following without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval by the Company’s shareholders at a meeting duly held in accordance with the applicable corporate laws:
- (a) increase the maximum number of Shares which may be issued under the Plan;
 - (b) materially modify the requirements as to eligibility for participation in the Plan; or

- (c) materially increase the benefits accruing to participants under the Plan;

however, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result of changes in the policies of the Exchange relating to director, officer and employee stock options, without obtaining the approval of the Company's shareholders.

- 11.3 **No Grant During Suspension of Plan** – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

- 12.1 **Compliance with Laws** – Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable United States' state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations thereunder and the requirements of any Exchange or automated interdealer quotation system of a registered national securities association upon which such Shares may then be listed or quoted, and such issuance shall be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares other than with respect to a refund of any Option Price paid.

13. USE OF PROCEEDS

- 13.1 **Use of Proceeds** – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Company and shall be used for general corporate purposes, or as the Board otherwise determines.

14. NOTICES

- 14.1 **Notices** – All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either delivered personally to the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such personal delivery; telecopied, in which case notice shall be deemed to have been duly given on the date the telecopy is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

15. MISCELLANEOUS PROVISIONS

- 15.1 **No Obligations to Exercise** – Optionees shall be under no obligation to exercise Options granted under this Plan.
- 15.2 **No Obligation to Retain Optionee** – Nothing contained in this Plan shall obligate the Company or any Related Company to retain an Optionee as an employee, officer, director or consultant for any period, nor shall this Plan interfere in any way with the right of the Company or any Related Company to reduce such Optionee's compensation.
- 15.3 **Binding Agreement** – The provisions of this Plan and of each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.
- 15.4 **Use of Terms** – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

- 15.5 **Headings** – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.
- 15.6 **No Representation or Warranty** – The Company makes no representation or warranty as to the future value of any Shares issued in accordance with the provisions of this Plan.
- 15.7 **Income Taxes** – Upon the exercise of an Option by an Optionee, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the amount of the Withholding Obligations (the "**Withholding Amount**") may be accomplished by any of the following methods or by a combination of such methods as determined by the Company in its sole discretion:
- (a) the tendering by the Optionee of cash payment to the Company in an amount less than or equal to the Withholding Amount; or
 - (b) the withholding by the Company from the Shares otherwise due to the Optionee such number of Shares as it determines are required to be sold by the Company,
 - (c) as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the Option Agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Company an irrevocable power of attorney to effect the sale of such Shares and to have acknowledged and agreed that the Company does not accept responsibility for the price obtained on the sale of such Shares; or
 - (d) the withholding by the Company from any cash payment otherwise due by the Company to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Shares so withheld is sufficient to satisfy the Withholding Amount. The provisions of the Option Agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Option Plan and an acknowledgement that neither the Board nor the Company shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Option Plan and none of the Board, the Company, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.
- 15.8 **Compliance with Applicable Law** – If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange or over the counter market having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE B
AUDIT COMMITTEE CHARTER

GENERAL

1. Purpose and Responsibilities of the Committee

1.1 Purpose

The primary purpose of the Committee is to assist Board oversight of:

- (a) the integrity of the Corporation's financial statements;
- (b) the Corporation's compliance with legal and regulatory requirements;
- (c) the External Auditor's qualifications and independence; and
- (d) the performance of the Corporation's internal audit function and the External Auditor.

2. Definitions and Interpretation

2.1 Definitions

In this Charter:

- (a) "Board" means the board of directors of the Corporation;
- (b) "Chair" means the chair of the Committee;
- (c) "Committee" means the audit committee of the Board;
- (d) "Corporation" means Eurocontrol Technics Group Inc.;
- (e) "Director" means a member of the Board; and
- (f) "External Auditor" means the Corporation's independent auditor.

2.2 Interpretation

The provisions of this Charter are subject to the articles and by-laws of the Corporation and to the applicable provisions of the *Business Corporations Act* (Ontario), and any other applicable legislation.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. Establishment and Composition of the Committee

3.1 Establishment of the Audit Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so

made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Independence of Members

A majority of the members of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

3.5 Financial Literacy

- (a) *Financial Literacy Requirement.* Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee.
- (b) *Definition of Financial Literacy.* "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

4. **Committee Chair**

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee who are unrelated directors (or, if it fails to do so, the members of the Committee shall appoint the Chair from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **Committee Meetings**

5.1 Quorum

A quorum of the Committee shall be two members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least four times per year on a quarterly basis.

5.4 In Camera Meetings

On at least an annual basis, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.7 Invitees

The Committee may invite Directors, officers, employees and consultants of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor shall receive notice of each meeting of the Committee and shall be entitled to attend any such meeting at the Corporation's expense.

5.8 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. **Authority of Committee**

6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to engage independent counsel and any other advisors as the Committee may deem appropriate in its sole discretion and to set the compensation for any advisors employed by the audit committee. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

6.2 Funding

The Committee shall have the authority to authorize the payment of:

- (a) compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (National Instrument 52-110 – *Audit Committees* requires disclosure of fees by category paid to the External Auditor).
- (b) compensation for any advisors employed by the audit committee under Section 6.1 hereof; and

- (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.4 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

6.5 Compensation

The Committee has the authority to communicate directly with External Auditors and the internal auditors.

7. **Remuneration of Committee Members**

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

7.2 Directors' Fees

No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

SPECIFIC DUTIES AND RESPONSIBILITIES

8. **Integrity of Financial Statements**

8.1 Review and Approval of Financial Information

- (a) *Annual Financial Statements.* The Committee shall review and discuss with management and the External Auditor the Corporation's audited annual financial statements and related management's discussion and analysis ("MD&A") together with the report of the External Auditor thereon and, if appropriate, recommend to the Board that it approve the audited annual financial statements.
- (b) *Interim Financial Statements.* The Committee shall review and discuss with management and the External Auditor and, if appropriate, approve the Corporation's interim unaudited financial statements and related MD&A.
- (c) *Material Public Financial Disclosure.* The Committee shall discuss with management and the External Auditor:
 - (i) the types of information to be disclosed and the type of presentation to be made in connection with profit or loss or earnings press releases; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (d) *Procedures for Review.* The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or

derived from the Corporation's financial statements (other than financial statements, MD&A and profit or loss or earnings press releases, which are dealt with elsewhere in this Charter) and shall periodically assess the adequacy of those procedures.

- (e) *General.* To the extent the Committee deems it necessary or appropriate, the Committee may review and discuss with management and the External Auditor:
- (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles;
 - (ii) major issues as to the adequacy of the Corporation's internal controls over financial reporting and any special audit steps adopted in light of material control deficiencies;
 - (iii) analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements;
 - (iv) the effect on the financial statements of the Corporation of regulatory and accounting initiatives, as well as off-balance sheet transaction structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (v) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (vi) any financial information or financial statements in prospectuses and other offering documents;
 - (vii) the management certifications of the financial statements as required under applicable securities laws in Canada or otherwise; and
 - (viii) any other relevant reports or financial information submitted by the Corporation to any governmental body or the public.

9. **External Auditor**

9.1 External Auditor

- (a) *Authority with Respect to External Auditor.* As a representative of the Corporation's shareholders, the Committee shall be directly responsible for the appointment, compensation and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In the discharge of this responsibility, the Committee shall:
- (i) have sole responsibility for recommending to the Board the person to be proposed to the Corporation's shareholders for appointment as External Auditor for the above-described purposes and recommending such External Auditor's compensation;
 - (ii) determine at any time whether the Board should recommend to the Corporation's shareholders that the incumbent External Auditor should be removed from office;
 - (iii) review the terms of the External Auditor's engagement, discuss the audit fees with the External Auditor and be solely responsible for approving such audit fees; and

- (iv) require the External Auditor to confirm in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) *Independence.* The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process the Committee shall:
 - (i) require the External Auditor to submit on a periodic basis to the Committee a formal written statement delineating all relationships between the External Auditor and the Corporation and engage in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and recommend that the Board take appropriate action in response to the External Auditor's report to satisfy itself of the External Auditor's independence;
 - (ii) unless the Committee adopts pre-approval policies and procedures, approve any non-audit services provided by the External Auditor, provided the Committee may delegate such approval authority to one or more of its independent members who shall report promptly to the Committee concerning their exercise of such delegated authority; and
 - (iii) review and approve the policy setting out the restrictions on the Corporation partners, employees and former partners and employees of the Corporation's current or former External Auditor.
- (c) *Issues Between External Auditor and Management.* The Committee shall:
 - (i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or access to requested information; and
 - (ii) review any significant disagreements with management and, to the extent possible, resolve any disagreements between management and the External Auditor.
- (d) *Non-Audit Services.*
 - (i) The Committee shall either:
 - (A) approve any non-audit services provided by the External Auditor or the external auditor of any subsidiary of the Corporation to the Corporation (including its subsidiaries); or
 - (B) adopt specific policies and procedures for the engagement of non-audit services, provided that such pre-approval policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.
 - (ii) The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the requirement in the previous section, provided that such member or members must present any non-audit services so approved to the full Committee at its first scheduled meeting following such pre-approval.
 - (iii) The Committee shall instruct management to promptly bring to its attention any services performed by the External Auditor which were not recognized by the Corporation at the time of the engagement as being non-audit services.

10. **Other**

10.1 Related Party Transactions

The Committee shall review and approve all related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

10.2 Expense Accounts

The Committee shall review and make recommendations with respect to:

- (a) the expense account summaries submitted by the President and Chief Executive Officer on an annual basis;
- (b) the Corporation's expense account policy, and rules relating to the standardization of the reporting on expense accounts

10.3 Whistle Blowing

The Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

11. **Performance Evaluation**

On a regular basis, the Committee shall follow the process established by the Board for assessing the performance and effectiveness of the Committee.

12. **Charter Review**

The Committee shall review and assess the adequacy of this Charter on a regular basis and recommend to the Board any changes it deems appropriate.

Approved and adopted by the Board of Directors on November 16, 2012.

SCHEDULE C

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

EUROCONTROL TECHNICS GROUP INC.

(hereinafter called the “**Corporation**”)

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION 1 INTERPRETATION

Section 1.1 Definitions.

In this by-law, unless the context otherwise requires:

“**Act**” means the *Business Corporations Act*, R.S.O. 1990, c. B.16 and the regulations made thereunder, as from time to time amended, and every statute or regulation that may be substituted therefor;

“**appointed**” includes “**elected**” and vice versa;

“**articles**” means the articles of the Corporation as from time to time amended or restated;

“**board**” means the board of directors of the Corporation and “**director**” means a member of the board;

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act* (Ontario), 2006, S.O. 2006, c. 21, Sched. F, as from time to time amended, and every statute or regulation that may be substituted therefor;

“**offering corporation**” means a corporation as defined in the Act;

“**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com;

“**special meeting of shareholders**” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

“**recorded address**” means, in the case of a shareholder, the shareholder’s address as recorded in the securities register; and in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and, in the case of a director, officer, auditor or member of a committee of the board, the latest address of such person as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act* (Ontario) or any statute that may be substituted for it, whichever, to the knowledge of the Corporation, is the more current; and

“**signing officer**” means, in relation to any instrument, any person authorized to sign on behalf of the Corporation by section 2.4 of this by-law or by a resolution passed pursuant thereto;

Section 1.2 Interpretation.

Unless defined in section 1.1, words and expressions defined in the Act have the same meanings when used herein. Words importing the singular number include the plural and vice versa. Words importing gender include the feminine, masculine and neuter genders. Words importing a person include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, trust, unincorporated organization, body corporate and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative.

SECTION 2 BUSINESS OF THE CORPORATION

Section 2.1 Registered Office.

The registered office of the Corporation shall be at the location in Ontario initially specified in the articles of the Corporation, and thereafter, provided same is permitted under the Act, from time to time the Corporation may (i) by resolution of the directors change the location of the registered office of the Corporation within a municipality or geographic township, and (ii) by special resolution, change the municipality or geographic township in which its registered office is located to another place in Ontario.

Section 2.2 Corporate Seal.

The Corporation may, but need not, have a corporate seal and if one is adopted it shall be in a form approved from time to time by the board.

Section 2.3 Financial Year.

The board may, by resolution, fix the financial year end of the Corporation, and the board may from time to time, by resolution, change the financial year of the Corporation.

Section 2.4 Execution of Instruments.

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one of the following: by any one person who holds the office of chair of the board, chief executive officer, president, chief financial officer, executive vice-president, senior vice-president, secretary, treasurer, assistant secretary or the holder of any other office created from time to time by by-law or the board. In addition, the board may from time to time direct by resolution the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

Section 2.5 Banking Arrangements.

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

Section 2.6 Voting Rights in Other Bodies Corporate.

The signing officers of the Corporation under section 2.4 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such person or persons as may be determined by the officers executing or arranging for them. In addition, the board may from time to time direct the manner in which and the person by whom any particular voting rights or class of voting rights may or shall be exercised.

SECTION 3 BORROWING AND SECURITY

Section 3.1 Borrowing Power.

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of any obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

Section 3.2 Delegation.

Subject to the Act and the articles, the board may from time to time delegate to a committee of the board, a director or an officer of the Corporation or any other person as may be designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board may determine at the time of each such delegation.

SECTION 4 DIRECTORS

Section 4.1 Number of Directors.

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles, provided, however, that for so long as the Corporation is an offering corporation, the board shall consist of not fewer than three directors.

Section 4.2 Qualification.

A person shall be disqualified from being a director of the Corporation if such person is less than 18 years of age, has been found under the *Substitute Decisions Act* (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property, has been found to be incapable by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. A director need not be a shareholder. The board shall be comprised of the number of Canadian residents as may be prescribed from time to time by the Act.

Section 4.3 Election and Term.

The election of directors shall take place at each annual meeting of shareholders. Subject to the Act, each director shall cease to hold office at the close of the first annual meeting of shareholders following his or her election, but, if qualified, shall be eligible for re-election at such annual meeting. Subject to the Act and section 4.1, the number of directors to be elected at any such meeting shall be the number of directors determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the board. The election shall be by ordinary resolution. If directors are not elected at a meeting of shareholders, the incumbent directors shall continue in office until their successors are elected.

Section 4.4 **Advanced Notice.**

Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as director of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of director is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting), (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice provided for below in this section 4.4 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section Section 4.4:

- (1) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (a) timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 4.4(1), and (b) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in, section 4.4(4).
- (2) To be timely under section 4.4(1)(a), a Nominating Shareholder’s notice to the secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing director (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this section 4.4(2).
- (3) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation, under section 4.4(1)(a), must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iv) a statement as to whether such person would be “independent” of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees of the Canadian Securities Administrators*, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (v) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of director pursuant to the Act and Applicable Securities Laws; and (b) as to the Nominating Shareholder giving the notice, (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of director pursuant to the Act and Applicable Securities Laws, and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

- (4) To be eligible to be a candidate for election as a director of the Corporation and to be duly nominated, a candidate must be nominated in the manner prescribed in this section 4.4(4) and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the secretary of the Corporation at the principal executive offices of the Corporation, not less than 5 days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Corporation) that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Corporation applicable to director and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (5) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 4.4(5); provided, however, that nothing in this section 4.4(5) shall be deemed to preclude discussion by a shareholder (as distinct from nominating director) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this section 4.4:

“**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

“**Applicable Securities Laws**” means the *Securities Act* (Ontario) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

“**Associate**”, when used to indicate a relationship with a specified person, shall mean (i) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;

“**Derivatives Contract**” shall mean a contract between two parties (the “**Receiving Party**” and the “**Counterparty**”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “**Notional Securities**”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks

approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

“owned beneficially” or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities; and

“public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

- (7) Notice or any delivery given to the secretary of the Corporation pursuant to this section 4.4(7) may only be given by personal delivery, facsimile transmission or by email (provided that the secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (8) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described in section 4.4(2) or the delivery of a representation and agreement as described in section 4.4(4).

Section 4.5 Removal of Directors.

Subject to the Act, the shareholders may by ordinary resolution passed at an annual or special meeting of shareholders remove any director from office and the vacancy created by such removal may be filled by the election

of any qualified individual at the same meeting, failing which it may be filled by the board.

Section 4.6 Vacation of Office.

A director ceases to hold office when he or she dies; he or she is removed from office by the shareholders; he or she ceases to be qualified for election as a director, or his or her written resignation is received by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

Section 4.7 Vacancies.

Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board.

Section 4.8 Action by the Board.

The board shall manage or supervise the management of the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.9 and 4.10) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy or vacancies in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

Section 4.9 Meetings by Telephone.

If all the directors of the Corporation consent thereto generally or if all the directors of the Corporation present at or participating in the meeting consent, a director may participate in a meeting of the board or a committee of the board by means of telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a director participating in such meeting by such means shall be deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board. If a majority of the directors participating in a meeting held pursuant to this section are then in Canada, the meeting shall be deemed to have been held in Canada.

Section 4.10 Place of Meeting.

Meetings of the board shall be held at any place within or outside Ontario.

Section 4.11 Calling of Meetings.

Meetings of the board shall be held from time to time at such place (subject to section 4.10), at such time and on such day as the board, the chair of the board, the president or any two directors may determine.

Section 4.12 Notice of Meeting.

Notice of the time and place of each meeting of the board shall be given in the manner provided in Section 11 to each director (a) not less than 48 hours before the time when the meeting is to be held if the notice is mailed, or (b) not less than 24 hours before the time when the meeting is to be held if the notice is given personally or is delivered or sent by any means of transmitted or recorded communication; provided that no notice of a meeting shall be necessary if all the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

Section 4.13 Attendance of Auditors.

The auditors of the Corporation shall be entitled to attend and be heard at meetings of the board on matters relating

to their duties as auditors.

Section 4.14 First Meeting of New Board.

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

Section 4.15 Adjourned Meeting.

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

Section 4.16 Regular Meetings.

The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act required the purpose thereof or the business to be transacted thereat to be specified.

Section 4.17 Chair.

The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the chair of the board, the chief executive officer, the president, an executive vice-president or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chair.

Section 4.18 Quorum.

The quorum for the transaction of business at any meeting of the board shall be two-fifths of the number of directors then in office or such greater number of directors as the board may from time to time determine.

Section 4.19 Votes to Govern.

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall be entitled to a second or casting vote.

Section 4.20 Conflict of Interest.

A director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. Such a director shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on such a resolution only because a director is not permitted to be present at the meeting, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution.

Section 4.21 Remuneration and Expenses.

The directors shall be paid such remuneration for their services as directors as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

Section 4.22 Resolution in Lieu of Meeting.

A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of the board is as valid as if it had been passed at a meeting of the board or committee of the board. A resolution in writing takes effect on the day on which the last director who is entitled and required to sign the resolution signs it. A resolution in writing may be signed in one or more counterparts and such counterparts taken together shall constitute the same resolution. A counterpart signed by a director and transmitted by facsimile or other device capable of transmitting a printed message is as valid as an originally signed counterpart.

SECTION 5 COMMITTEES

Section 5.1 Committees of the Board.

The board may appoint from its number one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

Section 5.2 Transaction of Business.

The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario.

Section 5.3 Audit Committee.

If the Corporation is an offering corporation the board shall elect annually from among its number an audit committee to composed of not fewer than three directors, each of whom shall be eligible to serve as a member of an audit committee under the Act, applicable securities legislation and applicable stock exchange rules. The audit committee shall have the powers and duties provided in the Act and in any committee charter as may be adopted by the board from time to time.

Section 5.4 Advisory Bodies.

The board may from time to time appoint such advisory bodies as it may deem advisable.

Section 5.5 Procedure.

Unless otherwise determined by the board, each committee of the board and each advisory board shall have power to fix its quorum at not less than two-fifths of its members, to elect its chair and to regulate its procedure.

SECTION 6 OFFICERS

Section 6.1 Appointment.

The board may from time to time appoint a chief executive officer, president, one or more senior or executive vice-presidents (to which title may be added words indicating function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to section 6.4, an officer of the Corporation may but need not be a director.

Section 6.2 Chief Executive Officer.

The board may designate one of its officers of the Corporation as chief executive officer of the Corporation and may from time to time revoke any such designation and designate another officer of the Corporation as chief executive officer of the Corporation. The officer designated as chief executive officer shall, subject to the authority of the board, have general supervision and control of the affairs of the Corporation.

Section 6.3 Chief Financial Officer.

The board may designate one of the officers of the Corporation as chief financial officer of the Corporation and may from time to time revoke any such designation and designate another officer of the Corporation as chief financial officer of the Corporation. The officer designated as chief financial officer shall have such duties and exercise such powers as the board may from time to time prescribe.

Section 6.4 Chair of the Board.

The board may from time to time also appoint a chair of the board who shall be a director. If appointed, the chair of the board shall, if present, preside at all meetings of the board and shareholders. In addition, he or she shall have such other powers and duties as the board may specify by resolution or as are incident to his or her office.

Section 6.5 Vice Chair of the Board.

The board may from time to time also appoint a vice chair of the board who shall be a director. If appointed, he or she shall have such powers and duties as the board may specify by resolution or as are incident to his or her office.

Section 6.6 President.

Unless otherwise designated by the board in accordance with section 6.2, the president shall be the chief executive officer of the Corporation and, subject to the authority of the board and the powers designated to the chief executive officer (if the chief executive officer is not also the president), shall have general supervision of the affairs and business of the Corporation. During the absence or disability of the president, his or her duties shall be performed and his or her powers exercised by the officer or officers of the Corporation designated from time to time by the board.

Section 6.7 Executive or Senior Vice-President.

An executive or senior vice-president shall have such powers and duties as the board or the president may prescribe.

Section 6.8 Secretary.

Unless otherwise determined by the board, the secretary shall attend, and be the secretary of, all meetings of the board, shareholders and committees of the board. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the board, the shareholders and committees of the board, whether or not he or she attends such meetings. He or she shall give or cause to be given, as and when instructed, all notices to directors, shareholders, auditors and members of committees of the board. He or she shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and he shall have such other powers and duties as otherwise may be specified.

Section 6.9 Treasurer.

The board may designate a treasurer who, subject to any resolution of the board and under the direction of the board, shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. Subject to any resolution of the board, he or she shall render to the board whenever required an account of all his or her transactions as treasurer and

of the financial position of the Corporation and he or she shall have such other powers and duties as otherwise may be specified.

Section 6.10 Powers and Duties of Officers.

The powers and duties of all officers shall be such as the terms of their engagement call for or as the board or (except for those whose powers and duties are to be specified only by the board) the chief executive officer may specify. The board and (except as aforesaid) the chief executive officer may, from time to time and subject to the Act, vary, add to or limit the powers and duties of an officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

Section 6.11 Term of Office.

The board, in its discretion, or the president may remove any officer of the Corporation without prejudice to any officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his or her successor is appointed or until his or her earlier resignation.

Section 6.12 Terms of Employment and Remuneration.

The terms of employment and the remuneration of officers elected or appointed by the board shall be settled by it from time to time.

Section 6.13 Agents and Attorneys.

The board shall have power from time to time to appoint agents or attorneys for the Corporation within or outside of Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

Section 6.14 Fidelity Bonds.

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Section 7.1 Limitation of Liability.

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same are occasioned by his or her own willful neglect or default, provided that nothing herein shall relieve any director or officer of any liability imposed upon him or her by the Act.

Section 7.2 Indemnity.

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs, executors, administrators and other legal personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of having been a director or officer of the Corporation or body corporate of which the Corporation is or was a shareholder or creditor, if (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. The Corporation may also indemnify that person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

Section 7.3 Advance of Costs.

The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 7.2. The individual shall repay the moneys if the individual does not fulfil the conditions of section 7.2.

Section 7.4 Insurance.

Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as the board may from time to time determine.

SECTION 8 SHARES

Section 8.1 Allotment of Shares.

Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation in such manner and to such persons or class of persons as the board shall by resolution determine, provided that no share shall be issued until it is fully paid as provided by the Act.

Section 8.2 Commissions.

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

Section 8.3 Transfer Agents and Registrars.

The board may from time to time by resolution appoint a registrar to keep the register of security holders and a transfer agent to keep the register of transfers and may also appoint one or more branch registrars to keep branch registers of security holders and one or more branch transfer agents to keep branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

Section 8.4 Registration of Transfer.

Subject to the Act, no transfer of shares shall be registered in a register of transfers or branch register of transfers except upon presentation of the certificate representing the share endorsement made on or delivered with it which complies with the Act, duly executed by the appropriate person as provided by the Act, together with such

reasonable assurance or evidence of signature, identification and authority to transfer as the board may from time to time prescribe, and on payment of all applicable taxes and any reasonable fees prescribed by the board, and compliance with such restrictions on transfer as are authorized by the articles, if any, and on satisfaction of any lien referred to in section 8.5.

Section 8.5 Lien for Indebtedness.

The Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation except where such class or series of shares of the Corporation is listed on a stock exchange, and the lien may be enforced, subject to the articles, by the sale of the shares affected by it or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending enforcement, the Corporation may refuse to register a transfer of the whole or any part of those shares.

Section 8.6 Non-Recognition of Trusts.

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

Section 8.7 Share Certificates.

Every holder of one or more fully paid shares of the Corporation shall be entitled, at his or her option, to a share certificate, or to a non-transferable written certificate of acknowledgement of his or her right to obtain a share certificate, stating the number and class or series of shares held by him or her as shown on the securities register, and stating that such shares are fully paid. Share certificates shall be in such form as the board shall from time to time approve and shall be signed in accordance with section 2.4 and need not be under the corporate seal; provided that, unless the board otherwise orders, certificates representing shares in respect of which a transfer agent, registrar, or both has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent or registrar, the signatures of both signing officers may be mechanically reproduced upon share certificates and every such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose signature appears thereon no longer holds office at the date of issue or delivery of the certificate.

Section 8.8 Replacement of Share Certificates.

The board or any officer or agent designated by the board may in its or his or her discretion direct the issue of a new share certificate or other such certificate in lieu of and on cancellation of a share certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 8.9 Joint Shareholders.

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect of that share, and delivery of the certificate to one of those persons shall be sufficient delivery to all of them. Any one of those persons may give effectual receipts for the certificate issued in respect of it or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of that share.

Section 8.10 Deceased Shareholders.

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the register of shareholders in respect of the death or to make any dividend or other payments in respect of the share except on production of all such documents as may be required by law and on

compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION 9 DIVIDENDS AND RIGHTS

Section 9.1 Dividends.

Subject to the Act and the articles, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by the issue of fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation. Any dividend unclaimed after a period of two years from the date on which it has been declared to be payable shall be forfeited and shall revert to the Corporation.

Section 9.2 Dividend Cheques.

A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his or her address appearing on the securities register, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise jointly direct, be made payable to the order of all the joint holders and mailed to them at the address appearing on the register of shareholders in respect of such joint holding, or to the first address so appearing if there are more than one. The mailing of such cheque, unless it is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented by it plus the amount of any tax which the Corporation is required to and does withhold.

Section 9.3 Non-Receipt of Cheques.

In the event of non-receipt of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 9.4 Record Date for Dividends and Rights.

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of the dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before the record date in the manner provided by the Act. In every such case, only persons who are shareholders of record at the close of business on the record date so fixed shall be entitled to receive payment of such dividend or to exercise the right to subscribe for such securities and to receive the warrant or other evidence in respect of such right, notwithstanding the transfer or issue of any shares after the record date is fixed.

SECTION 10 MEETINGS OF SHAREHOLDERS

Section 10.1 Annual Meetings.

The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.3, at such place as the board, the chair of the board may from time to time determine, for the purpose of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to fix the remuneration of the auditors, and for the transaction of such other business as may properly be brought before the meeting.

Section 10.2 Special Meetings.

The board or the chair of the board shall have power to call a special meeting of shareholders at any time.

Section 10.3 Place of Meetings.

Meetings of shareholders shall be held at such place within or outside Ontario as the directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

Section 10.4 Participation in Meeting by Electronic Means.

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

Section 10.5 Meeting held by Electronic Means.

If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Section 10.6 Notice of Meetings.

Notice of the time and place of each meeting of shareholders shall be sent in the manner provided in Section 11 not less than 10 days, or if the Corporation is an offering corporation not less than 21 days, but in either case not more than 50 days before the date of the meeting to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a special meeting of shareholders shall state the nature of the business in sufficient detail to permit the shareholder to form a reasoned judgement on it and shall give the text of any ordinary resolution, special resolution, or by-law to be submitted to the special meeting.

Section 10.7 List of Shareholders Entitled to Notice.

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting. The list shall be arranged in alphabetical order and show the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 10.8, the shareholders listed shall be those registered at the close of business on that record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

Section 10.8 Record Date for Notice.

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days, as a record date for the determination of the shareholders entitled to notice of the meeting, and notice of any such record date shall be given not less than seven days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada on which the shares of the Corporation are listed for trading. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

Section 10.9 Meetings Without Notice.

A meeting of shareholders may be held without notice at any time and at any place permitted by the Act or the articles (a) if all the shareholders entitled to vote thereat are present in person or duly represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice, or otherwise consent to the meeting being held; so long as the shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting, any business may be transacted which the Corporation may transact at a meeting of shareholders.

Section 10.10 Chair, Secretary and Scrutineers.

The chair of the board, if such an officer has been elected or appointed and is present, otherwise another director of the Corporation who is a shareholder of the Corporation, shall be chair of any meeting of shareholders. If no such person is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

Section 10.11 Persons Entitled to be Present.

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditors of the Corporation and others who, although not entitled to vote, are entitled or required under the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

Section 10.12 Quorum.

A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

If a quorum is not present at the time appointed for the meeting or within a reasonable time after that which the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

Section 10.13 Right to Vote.

Every person named in the list referred to in section 10.7 shall be entitled to vote the shares shown on the list opposite his or her name at the meeting to which the list relates.

Section 10.14 Proxyholders and Representatives.

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, as his or her nominee to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his or her attorney and shall conform to the requirements of the Act. Alternatively, every shareholder which is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and that individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of the resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the meeting. Any such proxyholder or representative need not be a shareholder.

Section 10.15 Time for Deposit of Proxies.

The board may fix a time, not exceeding 48 hours, excluding non-business days, preceeding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or its agent, and any time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted on only if, prior to the time so fixed and specified in the notice calling the meeting, it has been deposited with the Corporation or its agent or, if no such time is specified in the notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof before the time of voting.

Section 10.16 Personal Representative.

If the shareholder of record is deceased, his or her personal representative, upon filing with the secretary of the meeting sufficient proof of his or her appointment, shall be entitled to exercise the same voting rights at any meeting of shareholders as the shareholder of record would have been entitled to exercise if he or she were living, and for the purposes of the meeting shall be considered a shareholder. If there is more than one personal representative, the provisions of section 10.17 shall apply.

Section 10.17 Joint Shareholders.

If two or more persons hold shares jointly, any one of them present in person or duly represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if more than one of them are present in person or represented by proxy and vote, they shall vote together as one on the shares jointly held by them.

Section 10.18 Votes to Govern.

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

Section 10.19 Show of Hands.

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided, and upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

Section 10.20 Ballots.

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

Section 10.21 Adjournment.

The chair at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is

adjourned for less than 30 days, it will not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

SECTION 11 NOTICES

Section 11.1 Method of Giving Notices.

Any notice (which term includes any communication or document) to be given (which term includes sent, transmitted, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given, if mailed to such person at the person's recorded address by prepaid mail, or if transmitted by telephone, facsimile or other electronic means in accordance with the *Electronic Commerce Act* (Ontario). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered by dispatch. A notice so delivered shall be deemed to have been received when it is delivered personally, a notice so mailed shall be deemed to have been received at the time it would be delivered in the ordinary course of mail, and a notice so transmitted shall be deemed to have been received on the day it is transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

Section 11.2 Notice to Joint Shareholders.

If two or more persons are registered as joint holders of any share, notice to one of such persons shall be sufficient notice to all of them. Any notice shall be addressed to all of such joint holders and the address to be used for the purposes of section 11.1 shall be the address appearing on the securities register in respect of such joint holding, or the first address so appearing if there are more than one.

Section 11.3 Computation of Time.

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

Section 11.4 Undelivered Notices.

If any notice given to a shareholder pursuant to section 11.1 is returned on three consecutive occasions because he or she cannot be found, the Corporation shall not be required to give any further notices to that shareholder until he or she informs the Corporation in writing of his or her new address.

Section 11.5 Omissions and Errors.

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board, or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance of the notice, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded on it.

Section 11.6 Persons Entitled by Death or Operation of Law.

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of the share which has been duly given to the

shareholder from whom he or she derives his or her title to the share before his or her name and address were entered on the securities register (whether the notice was given before or after the happening of the event upon which he or she became so entitled) and before he or she furnished the Corporation with the proof of authority or evidence of his or her entitlement prescribed by the Act.

Section 11.7 Waiver of Notice.

Any shareholder, proxyholder or other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice required to be given to him or her under the Act, the regulations, the articles, the by-laws or otherwise, and that waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of the notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of shareholders or of the board or a committee of the board, which may be given in any manner.

Section 11.8 Electronic Documents.

A requirement under these by-laws that a notice, document or other information be provided in writing may be satisfied by providing an electronic document and a requirement under these by-laws for a signature or that a document be executed, in relation to an electronic document, may be satisfied, in each case, if the requirements in the Act in respect thereof are met.

**SECTION 12
EFFECTIVE DATE**

Section 12.1 Amendment and Restatement.

This amended and restated By-law No. 2014-1 amends, restates and supercedes all of the previous by-laws of the Corporation. The amendment and restatement shall not affect the previous operation of any by-law so amended and restated or repealed, or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-law before its amendment and restatement or repeal. All officers and persons acting under any by-law so amended and restated or repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the board, the shareholders or committees of the board with continuing effect passed under any amended and restated or repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

Section 12.2 Effective Date.

This by-law shall come into force upon being passed by the board except with respect to those provisions, if any, which may require the prior approval of shareholders in which event those portions of this by-law shall come into effect upon having been approved by the shareholders.

ENACTED this 18th day of May, 2016.

WITNESS the corporate seal of the Corporation.

Signed "*W. Bruce Rowlands*"

President

Signed "*Charlotte May*"

Secretary

CONFIRMED by the shareholders in accordance with the Act the ● day of June, 2016.

Secretary