



**NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS
AND MANAGEMENT INFORMATION CIRCULAR**

OF

INTRINSYC TECHNOLOGIES CORPORATION

Dated April 11, 2018



April 11, 2018

Dear fellow Shareholder,

It is my pleasure to invite you to attend the Annual and Special Meeting of Shareholders of Intrinsic Technologies Corporation ("**Intrinsic**") for the fiscal year ended December 31, 2017. The meeting will be held on Tuesday, May 15, 2018 at 10:30 a.m. Eastern Time at the offices of Osler, Hoskin & Harcourt LLP, 6300 – 100 King Street West, Toronto, Ontario, M5X 1B8.

The items of business to be considered at the meeting are described in the attached Notice of Annual and Special Meeting and Management Information Circular. During the meeting, we will also review Intrinsic's business during fiscal 2017 and our plans for the future. You will have the opportunity to ask questions and to meet your directors and executives.

Your participation at the shareholders' meeting is very important. Accordingly, whether or not you plan to attend, we encourage you to vote by following the voting instructions included on the enclosed form of proxy.

We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink that reads "Tracy Rees". The signature is written in a cursive, flowing style.

Tracy Rees
Chief Executive Officer, President & Director
Intrinsic Technologies Corporation

INTRINSYC TECHNOLOGIES CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Board of Directors of Intrinsic Technologies Corporation (the “**Corporation**”) has called an Annual and Special Meeting of shareholders on Tuesday, May 15, 2018 at 10:30 a.m. (Eastern Time) (the “**Meeting**”) to be held at the offices of Osler, Hoskin & Harcourt LLP, 6300 – 100 King Street West, Toronto, Ontario, M5X 1B8.

The following business will be conducted at the Meeting:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2017 and the report of the auditors thereon;
2. to re-appoint Ernst & Young LLP as auditors of the Corporation for the coming year and to authorize the Board of Directors to fix the auditors’ remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to approve a Shareholder Rights Plan, as described in the Management Information Circular accompanying this Notice (the “**Circular**”); and
5. to transact such other business as may properly come before the Meeting.

As a shareholder of record at the close of business on April 3, 2018 (a “**Shareholder**”), you are entitled to attend the Meeting and to cast one vote for each common share of the Corporation (the “**Common Shares**”) that you own. If you are a registered Shareholder and are unable to attend the Meeting, you will still be able to vote by completing the proxy form included with the Circular. The Circular explains how to complete the proxy form and how the voting process works. **In order to vote at the Meeting, registered Shareholders must submit the proxy form to the Corporation’s transfer agent, TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than 10:30 a.m. (Eastern Time) on Friday, May 11, 2018. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.**

If you are a non-registered beneficial Shareholder, a proxy form will not usually be included with the Circular; instead, a voting information form (also known as a VIF) is usually included. You must follow the instructions provided by your intermediary in order to vote your Common Shares.

DATED at Vancouver, British Columbia, this 11th day of April, 2018.

BY ORDER OF THE BOARD OF DIRECTORS



Tracy Rees
Chief Executive Officer, President & Director
Intrinsic Technologies Corporation

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS.....	3
VOTING INFORMATION	4
Solicitation of Proxies.....	4
Voting and Appointment of Proxy	4
<i>Registered Shareholders</i>	4
Revoking your Proxy	4
<i>Non-registered (Beneficial) Shareholders</i>	5
Revoking your Proxy	5
Provisions Relating to Voting of Proxies	6
Voting.....	6
Exercise of Discretion by Proxyholders	6
Approval of Resolutions.....	6
<i>Voting Common Shares and Principal Holders Thereof</i>	6
ORDINARY BUSINESS TO BE CONDUCTED AT THE MEETING.....	7
I Presentation of Financial Statements	7
II Appointment of Auditors.....	7
III Election of Directors	7
Background of the Nominees	9
Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	10
SPECIAL BUSINESS TO BE CONDUCTED AT THE MEETING	12
IV Shareholder Rights Plan	12
EXECUTIVE COMPENSATION	15
Compensation Discussion and Analysis	15
The Objectives.....	15
Elements of Compensation	15
Independent Compensation Consultant	16
Recommendations of Management.....	16
The Determination of Each Element.....	16
Compensation and Corporate Governance Committee.....	18
Compensation paid to NEOs in 2017.....	18
Risks Associated with Compensation Policies	20
Compensation of Named Executive Officers	20
Summary Compensation Table	21
Hedging	22
Incentive Plan Awards.....	22
Summary of the Terms of the Option Plan	22
Value Vested or Earned During the Year	24
Summary of the Terms of the RSU Plan	25
Equity Compensation Plan Information.....	27
Pension Plan Benefits	28
Termination and Change of Control Benefits.....	28
NEO Employment Agreements	28

Director Compensation	30
Director Incentive Plan Awards	31
Performance Graph.....	33
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	34
INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS.....	34
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	34
MANAGEMENT CONTRACTS.....	34
AUDIT COMMITTEE.....	34
CORPORATE GOVERNANCE.....	34
OTHER MATTERS	34
DEADLINE FOR SHAREHOLDER PROPOSALS.....	35
ADVANCE NOTICE REQUIREMENT FOR DIRECTOR NOMINATIONS	35
ADDITIONAL INFORMATION	35
BOARD APPROVAL AND STATEMENT OF DIRECTORS.....	35
SCHEDULE “A” – CORPORATE GOVERNANCE DISCLOSURE.....	A-1
SCHEDULE “B” – SHAREHOLDER RIGHTS PLAN.....	B-1

INTRINSYC TECHNOLOGIES CORPORATION

MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular (“**Circular**”) is current as of April 11, 2018 and all currency amounts are expressed in U.S. dollars, unless otherwise indicated, and where used herein the terms “Corporation” and “Intrinsyc” refer to Intrinsyc Technologies Corporation unless otherwise indicated or the context otherwise requires.

This Circular is being sent by the management of the Corporation to the holders (the “**Shareholders**”) of the Corporation’s common shares (the “**Common Shares**”) in connection with the solicitation of proxies to be voted at the Annual and Special Meeting of the Shareholders to be held on Tuesday, May 15, 2018 (the “**Meeting**”) at the time and place and for the purposes set out in the Notice of Meeting and at any adjournment or postponement thereof.

FORWARD LOOKING STATEMENTS

Information included, attached to or incorporated by reference into this Circular may contain forward looking statements. All statements, other than statements of historical fact, included or incorporated by reference in this Circular are forward looking statements, including, without limitation, statements regarding activities, events or developments that the board of directors of the Corporation (the “**Board**”) expects or anticipates may occur in the future. These forward looking statements can be identified by the use of forward looking words such as “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “continue” or similar words or the negative thereof and include statements concerning support for the Board and director nominees and current and proposed management. The forward looking statements are based on understandings and reasonable assumptions, beliefs, opinions and expectations of the Board and/or the proposed director nominees at the time they are made. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur. We caution readers of this Circular not to place undue reliance on forward looking statements contained in this Circular, which are not a guarantee of performance and are subject to a number of uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. These factors include shareholder actions, the timing of the Meeting, actions by the Chair of the Meeting, unexpected change of control consequences, the status of Intrinsyc’s assets, financial condition and corporate books and records, general economic and market conditions, changes in law, regulatory processes, actions of competitors, the ability to implement business strategies and pursue business opportunities and financing alternatives, the need to develop, integrate and deploy software solutions to meet the Corporation’s customers’ requirements; the availability of financing; the possibility of development or deployment difficulties or delays; the dependence on its customers’ satisfaction; the timing of entering into significant contracts; its customers’ continued commitment to the deployment of the Corporation’s solutions; the risks involved in developing integrated software solutions and integrating them with third-party products and services; the performance of the global economy and growth in technology industry sales; market acceptance of the Corporation’s products and services; customer and industry analyst perception of the Corporation and its technology vision and future prospects; the success of certain business combinations engaged in by the Corporation or by its competitors; possible disruptive effects of organizational or personnel changes; technological change, new products and standards; risks related to acquisitions and international expansion; reliance on large customers; concentration of sales; international operations and sales; management of growth and expansion; dependence upon key personnel and hiring; reliance on a limited number of suppliers; risks related to the Corporation’s competition; the Corporation not adequately protecting its intellectual property; risks related to product defects and product liability; currency exchange rate risk; volatility in the market price for the common shares of the Corporation. Shareholders are cautioned that all forward looking statements involve risks and uncertainties, including those risks and uncertainties detailed in Intrinsyc’s filings with applicable Canadian securities commissions, copies of which are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com. We urge you to carefully consider those factors. The forward looking statements contained in this Circular and the accompanying materials, including the letter to Shareholders, are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this Circular are

made as of the date of this Circular and the Board undertakes no obligation to publicly update such forward looking statements to reflect new information, subsequent events or otherwise, except as required by law.

VOTING INFORMATION

Solicitation of Proxies

Your vote is being solicited by and on behalf of the management of the Corporation.

The solicitations will be made primarily by mail, facsimile and e-mail, but proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Corporation, none of whom will receive additional compensation for assisting with the solicitation, and the estimated cost of which will be nominal. Banks, brokers, custodians, nominees and fiduciaries will be requested to forward the proxy soliciting materials to beneficial owners, and the Corporation will reimburse such persons for such reasonable out-of-pocket expenses incurred by them. The expenses of soliciting proxies, including the cost of preparing, assembling and mailing of this Circular and proxy material to shareholders, will be borne by the Corporation.

If you have any questions about this Circular or how to vote, please contact the Corporation's Corporate Secretary at (604) 801-6461.

Voting and Appointment of Proxy

Your rights to attend and vote at the Meeting depend on whether you are a **registered Shareholder** (that is, the Common Shares of the Corporation are actually registered in your name) or a **non-registered beneficial Shareholder** (for example, if you hold Common Shares of the Corporation through a broker or a bank).

Registered Shareholders

If you are a registered Shareholder, you may attend the Meeting in person. You may also appoint someone (known as a "**proxyholder**") to represent you at the Meeting and vote on your behalf. If you complete and submit the proxy form without alteration, then you will have appointed the Corporation's proxyholder (or his alternate) to attend the Meeting and vote on your behalf.

You have the right to appoint a person or company to represent you at the Meeting other than the persons designated in the proxy form. If you wish to appoint some other person or company to represent you at the Meeting, you may do so by striking out the names of the persons designated in the proxy form and inserting the name of the person or company to be appointed in the blank space provided and signing the proxy form.

If you wish to vote at the Meeting by proxy, you must either: (a) complete the proxy form and return it to the Corporation's transfer agent, TSX Trust Company, or (b) follow the instructions in the proxy form to vote by Internet at www.voteproxyonline.com. In order to be valid, Internet voting must be completed or the proxy form must be received by TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, or by fax at (416) 595-9593 no later than 10:30 a.m. (Eastern Time) on Friday, May 11, 2018, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such adjourned or postponed meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's discretion without notice.

Revoking your Proxy

A proxy is revocable. If you have given a proxy, you (or your attorney authorized in writing) may revoke the proxy by giving notice of the revocation in writing to the Corporation's registered office, care of: Osler, Hoskin & Harcourt, LLP, Suite 1700 – 1055 West Hastings Street, Vancouver, BC, Canada, V6E 2E9, Attention: Corporate Secretary, or by fax at (778) 785-2745, or to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, or by fax at (416) 595-9593 at any time up to 5:00 p.m. (Eastern time) on the last business day before the Meeting (or any adjournment or

postponement thereof), or to the Chair of the Meeting by no later than 9:00 a.m. (Eastern time) on the day of the Meeting (or any adjournment or postponement thereof), or any other manner permitted by law.

The notice of the revocation must be signed as follows: (a) if you are an individual, then the notice must be signed by you or your legal personal representative or trustee in bankruptcy, and (b) if you are a corporation, then the notice must be signed by the corporation or by a representative appointed for the corporation in accordance with the articles of the Corporation.

Non-registered (Beneficial) Shareholders

If your Common Shares are not registered in your own name, then they are being held in the name of an intermediary (which is usually a trust company, a securities dealer or broker, a bank or another financial institution) or in the name of a clearing agency such as the Canadian Depository for Securities Limited. You are usually called either a “non-registered” or a “beneficial” Shareholder or owner. If you are a non-registered owner and the Corporation or its agent has sent materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

There are various procedures for voting your Common Shares, and these procedures may vary among intermediaries and clearing agencies. If you are a beneficial Shareholder, you should carefully follow the instructions of the intermediary or clearing agency, including instructions regarding when and where any voting instruction form or proxy form is to be delivered.

Typically, you will receive one of the following:

1. **A VOTING INSTRUCTION FORM.** This voting instruction form has been sent to you by your intermediary. The voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms, in some cases, permit the completion of the voting instruction form through the Internet. You must return the voting instruction form well in advance of the Meeting in order to have your Common Shares voted. If you also wish to attend the Meeting in person and vote (or have another person attend and vote on your behalf), you must complete, sign and return the voting instruction form in accordance with the directions provided on the form.
2. **FORM OF PROXY.** This is a proxy that has been signed by the intermediary (typically by a facsimile, stamped signature) and already indicates the number of Common Shares you beneficially own but that is otherwise uncompleted. You do not need to sign this form. If you receive a facsimile signed proxy and you wish to vote at the Meeting, you must properly complete the proxy and deposit it with TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, or by fax at (416) 595-9593 no later than 10:30 a.m. (Eastern Time) on Friday, May 11, 2018, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. If you also wish to attend the Meeting in person and vote (or have another person attend and vote on your behalf), simply strike out the names of the persons indicated in the proxy form and insert your (or such other person’s) name in the blank space provided.

If you have any questions about this Circular or how to vote, please contact the Corporation’s Corporate Secretary at (604) 801-6461.

Revoking your Proxy

A non-registered holder may revoke a proxy or voting instruction form which has been given to an intermediary by written notice to the intermediary or TSX Trust Company. In order to ensure that an intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the intermediary well in advance of the Meeting.

Provisions Relating to Voting of Proxies

Voting

Voting at the Meeting generally will be by a show of hands, unless a ballot is required by the Chair of the Meeting or demanded by any Shareholder or proxyholder present and entitled to vote, with each Shareholder or proxyholder present in person being entitled to one vote per Common Share held or represented by proxy, as applicable.

Exercise of Discretion by Proxyholders

If a Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter. It is intended that the proxyholders named by management in the accompanying form of proxy will vote the Common Shares represented by the form of proxy IN FAVOUR of each matter identified in the proxy and FOR Intrinsyc's director nominees.

The accompanying form of proxy also confers discretionary authority upon the named proxyholders with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting, or any adjournment or postponement thereof, whether or not the amendment or other matter that comes before the Meeting is or is not routine, and whether or not the amendment or other matter that comes before the Meeting is contested. As of the date of this Circular, management of the Corporation is not aware of any such amendments, variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

Approval of Resolutions

To approve a motion for an ordinary resolution, a simple majority of the votes cast, meaning more than 50% thereof, in person or by proxy, will be required. A motion for a special resolution must be passed by at least two-thirds, meaning more than 66^{2/3}% thereof, of the votes cast by Shareholders, present in person or by proxy at the Meeting.

Voting Common Shares and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preference shares. The Board has fixed April 3, 2018 as the record date for determining which Shareholders are entitled to notice of and to vote at the Meeting. On April 3, 2018, the Corporation had 20,982,988 issued and outstanding Common Shares and no preference shares issued and outstanding. Each Common Share carries one right to one vote. The Corporation has no other classes of voting securities and does not have any classes of restricted securities. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at April 3, 2018.

ORDINARY BUSINESS TO BE CONDUCTED AT THE MEETING

I Presentation of Financial Statements

The audited financial statements of the Corporation for the fiscal year ended December 31, 2017, together with the report of the auditors thereon, will be placed before the Meeting. A copy of the Corporation's financial statements and Management's Discussion and Analysis may be obtained at www.sedar.com and from the Corporation, at 300 – 885 Dunsmuir Street, Vancouver, British Columbia, V6C 1N5, Attention: Corporate Secretary.

II Appointment of Auditors

Shareholders will be asked to vote for an ordinary resolution to re-appoint Ernst & Young LLP, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Corporation until the end of the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration. Ernst & Young LLP were first appointed as auditors of the Corporation at the annual general meeting of the Shareholders held on December 11, 2003.

The Board unanimously recommends that Shareholders vote FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation at the Meeting. The persons named in the enclosed form of proxy will vote FOR the re-appointment of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation until the end of the next annual meeting of the Shareholders and the authorization of the directors to fix their remuneration, unless a Shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof.

III Election of Directors

The Articles of the Corporation provide that the minimum number of directors shall be one (1) and the maximum number shall be ten (10). The number of directors presently in office is seven (7).

At the Meeting, Shareholders will be called upon to elect seven (7) directors by ordinary resolution. The persons named below are the nominees of management for election as directors. The Corporation has put forth the seven (7) nominees of management below after due consideration to the appropriate composition of relevant skills and experience that the Corporation needs going forward. The Corporation's nominees are seasoned professionals with the right mix of industry experience and business acumen.

Each director elected will hold office until his successor is elected or appointed, unless his office is vacated earlier under any of the relevant provisions of the by-laws of the Corporation or the Canada Business Corporations Act (the "CBCA").

The Board currently has three committees: the Compensation and Corporate Governance Committee, the Audit Committee and the Executive Committee.

The Corporation has adopted a majority voting policy in director elections that will apply at any meeting of the shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation as a director to the Chair of the Board promptly following the applicable shareholders' meeting. Following receipt of a resignation, the Compensation and Corporate Governance Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board. The resignation of a director who received a majority withhold vote will be accepted absent exception circumstances. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose its decision on whether or not to accept the applicable director's resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the Compensation and Corporate Governance Committee at which the resignation is considered.

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Corporation presently held by that person; that person's principal occupation at present; the period(s) during which that person has served as a director; and the number of securities of the Corporation that such person has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised. The additional biographical information following the table sets out each person's principal occupation within the five preceding years.

Intrinsyc does not anticipate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any of Intrinsyc's nominees is unable or declines to serve as director, the persons named in the proxy will vote for another nominee of the Corporation, if presented.

Name and Residence	Position with the Corporation	Principal Occupation	Director Since ⁽⁴⁾	Securities owned or controlled ⁽⁵⁾	Attendance at Board Meetings in 2017
Michael W. Bird ⁽²⁾ Ontario, Canada	Director	Investment Manager at Next Edge Capital Corporation	17 April 2013	50,000 Common Shares 68,770 stock options 10,000 restricted stock units	12/12 (100%)
Thomas J. Bitove ⁽¹⁾ Ontario, Canada	Director	Chair and President PowerBev Inc. and PUR brands Inc.	15 December 2005	150,537 Common Shares 58,875 stock options 10,000 restricted stock units	12/12 (100%)
George A. Duguay ⁽¹⁾⁽²⁾ Ontario, Canada	Director and Chair of the Board	President of G. Duguay Services Inc.	14 April 2003	178,921 Common Shares 58,875 stock options 10,000 restricted stock units	12/12 (100%)
Jeffrey MacDonald ⁽¹⁾ Ontario, Canada	Director	Chief Executive Officer of EcoSynthetix Inc.	16 May 2017	35,000 Common Shares 37,000 stock options 10,000 restricted stock units	6/6 (100%)
Daniel S. Marks ⁽³⁾ Ontario, Canada	Director	President and Principal of Stonehouse Capital Management Inc.	17 April 2013	1,674,850 Common Shares ⁽⁶⁾ 68,770 stock options 10,000 restricted stock units	11/12 (92%)
Tracy Rees California, USA	Director and Chief Executive Officer	Chief Executive Officer of the Corporation	13 June 2017	525,275 Common Shares 267,200 stock options 44,000 restricted stock units	4/4 (100%)
Howard "Skip" Speaks ⁽²⁾⁽³⁾ California, USA	Director	Corporate Director	11 August 2009	51,242 Common Shares 58,875 stock options 10,000 restricted stock units	12/12 (100%)

Notes:

(1) Member, Compensation and Corporate Governance Committee as of the date hereof.

(2) Member, Audit Committee as of the date hereof.

(3) Member, Executive Committee as of the date hereof.

(4) Each director is elected at the Corporation's annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed, unless such director resigns or is removed earlier.

(5) This information has been furnished by the respective individuals as at April 3, 2018.

(6) Of these Common Shares, Mr. Marks directly owns 410,000 and indirectly owns 80,000, with the remaining 1,184,850 under his control and direction through Stonehouse Capital Management Inc.

Background of the Nominees

Set forth below is a brief profile of each of the nominees for election as a director of the Corporation. Other than as set forth below, each nominee has held the same principal occupation for at least the last five years.

Michael W. Bird has more than 25 years of capital markets experience in Canada. He is currently an investment manager at Next Edge Capital Corporation. Next Edge Capital Corporation was formed through a management purchase of the Canadian office of Man Group Plc in 2014. Prior to joining Next Edge Mr. Bird was a Vice President at GMP Securities L.P., an independent investment dealer in the Quantitative Strategies Trading Group, served as Vice President, Head of Equity Derivatives at Desjardins Securities from 2002 to 2008 and a Senior Trader and Vice President at RBC Dominion Securities from 1994 to 2002 working in the Equity Derivatives Group.

Thomas J. Bitove has a successful history of leadership in several corporate sectors, including the retail technology, hospitality, foodservices and logistics industries. Currently, Mr. Bitove is the Chairman and CEO of Powerbev Inc., the exclusive distributor of Red Bull Energy Drink in Ontario, Canada and one of the largest Red Bull distributors in North America. Mr. Bitove is also the Chairman and CEO of PUR Brands Inc., British Columbia's exclusive distributor of Red Bull Energy Drink. He also owns ColdHaus Direct, a logistics solution primarily designed to facilitate the distribution of products for the craft beer industry and the wine industry. Prior to these ventures, between 1989 and 2002, Mr. Bitove was CEO of Lettuce Serview LP, one of Canada's largest food service companies operating facilities at Toronto's Lester B. Pearson International Airport, Toronto's SkyDome, Travel Centers along Ontario's superhighway system, and one of Canada's largest offsite catering operations. Mr. Bitove also serves as the Managing Partner of the Wayne Gretzky's Restaurant located in downtown Toronto. Mr. Bitove has a BA in economics from the University of Western Ontario. Mr. Bitove has also served as the Honorary Lieutenant Colonel of the 7th Toronto Regiment of the Royal Canadian Army and has received the Queen's Diamond Jubilee Award for service to the community.

George A. Duguay is a senior executive with experience in the technology, financial services and resource industries. Since 1988, he has been the President of G. Duguay Services Inc, a partner of Duguay & Ringler Corporate Services until February 2006, a provider of corporate and financial administrative services to public companies. G. Duguay Services Inc. continues to act as a consultant in this area. In addition, Mr. Duguay was a founder of Equity Financial Trust Company. He is presently Corporate Secretary of two public companies. During the period May 1993 to December 2004, Mr. Duguay served as a Director of Genesis Microchip Inc., the world's leading supplier of display image processors listed on NASDAQ. Mr. Duguay is a Chartered Professional Accountant, Certified General Accountant (CPA, CGA) and a Fellow of the Institute of Chartered Secretaries (F.C.I.S.). He is also a director of two other public companies; one listed on the TSX and the other listed on the TSX-V.

Jeffrey MacDonald is the Chief Executive Officer of EcoSynthetix Inc. effective May 1, 2015 and was the Interim Chief Executive Officer of EcoSynthetix from February 2015 to May 1, 2015. Mr. MacDonald was elected as a director on May 8, 2015. Mr. MacDonald joined EcoSynthetix Inc. in 2014 as Chief Operating Officer. Mr. MacDonald has more than 15 years of executive leadership experience in a variety of roles, including operations, business development, and marketing. He spent the majority of his career at Husky Injection Molding Systems Ltd. ("**Husky**"), a leading manufacturer of equipment and services for the plastics industry, with more than \$1 billion in annual sales. At Husky, Mr. MacDonald led the establishment of new businesses, introduced a number of new products to market and led key initiatives that had a transformational impact on overall business performance. Mr. MacDonald holds a Master of Business Administration degree from McMaster University and a Bachelor of Science degree from the University of Western Ontario.

Daniel S. Marks is the President and Principal of Stonehouse Capital, a portfolio management firm specializing in active investments in Canadian microcap companies. Mr. Marks has also been the Chief Executive Officer and a director of Kure Technologies, Inc (formerly Unique Broadband Systems, Inc.) since May, 2015. From June 2010 to May 2012, Mr. Marks was a director of Pacific Safety Products Inc.,

Canada's leading soft body armour company, where he also served as Executive Chairman from September 2010 to May 2012. In that role, he oversaw a strategic turnaround in the company, through a process that involved the introduction of a new board and management team and ultimately a merger with Zuni Holdings Inc. From June 2009 to December 2010, Mr. Marks was a director of MTI Global Inc. (renamed Zuni Holdings Inc. in June 2010), a company involved in the design, development and manufacturing of products used primarily in the aerospace industry. Mr. Marks also served as President, Chief Executive Officer and Interim Chief Financial Officer of Zuni Holdings Inc. from June 2010 to December 2010. Mr. Marks has over twenty years of investment management experience, including positions with Polar Securities Inc., Citibank, Republic National Bank of New York and TD Securities. Mr. Marks holds a Chartered Financial Analyst (CFA) designation and an MBA from McMaster University.

Tracy Rees was appointed Chief Executive Officer in June 2009 and served as Interim Chief Executive Officer from November 2008 to June 2009. Mr. Rees joined Intrinsic in 2007 as acting General Manager for APAC. He also previously served as Chief Operating Officer of the Corporation. Mr. Rees brings more than twenty five years of experience in the high technology industry with deep expertise in mobility software and embedded technology. His experience includes positions with mobile software and services companies including: (i) CEO of Annasoft Systems; (ii) Executive VP Sales, Marketing and International Operations at BSQUARE Corporation; and (iii) General Manager and VP of Sales at CalAmp Corp.

Howard "Skip" Speaks has over twenty six years of telecommunications experience in the network operator and the wireless equipment manufacturing and vendor business. He most recently served as CEO of Rosum Corporation, a positioning and timing technology company. Until 2003, he served as a member of the board and CEO for Kyocera Wireless Corp, a San Diego-based wireless handset manufacturer. Mr. Speaks also served on the Triton Network Systems Board of Directors. He was CEO of this start-up broadband microwave equipment manufacturer and with the management team took the company public in 2000. Prior to Triton, Mr. Speaks worked for thirteen years at Ericsson, and most recently served as Executive Vice President and General Manager for Ericsson's Wireless Division. As Executive Vice President and General Manager, Mr. Speaks was responsible for sales and deployment of Ericsson's wireless communications infrastructure in the United States and helped navigate the company through a significant restructuring to better address the impact of the convergence of data and voice over wireless networks. Mr. Speaks earned a Bachelor of Science degree for Civil Engineering from West Virginia University Institute of Technology and is a retired, registered professional engineer.

The information above with respect to each nominee's principal occupation, business or employment, and number of Common Shares and other convertible securities beneficially owned or controlled is not within the knowledge of the Corporation or management, and has been furnished by each of the respective individuals or extracted from insider reports filed by the respective individuals publicly available at the website for the Canadian System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management, other than as disclosed in this Circular, no nominee for election as a director of the Corporation is, or has been within 10 years before the date of this Circular:

1. a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Corporation) that: (i) was subject to an order that was issued while the nominee was acting in the capacity as director, CEO or CFO or (ii) was subject to an order that was issued after the nominee ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
2. a director or executive officer of any company (including the Corporation) that, while such nominee was acting in that capacity, or within one (1) year of such nominee 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, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

3. became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee.

For the purposes of the foregoing, the term “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

To the knowledge of management, no nominee for election as a director of the Corporation has been subject to:

1. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Daniel Marks was elected to the board of directors and appointed to serve as interim Chief Executive Officer of Unique Broadband Systems, Inc. on May 5, 2015, during which time the company was subject to proceedings under the *Companies’ Creditors Arrangement Act* (Canada). Unique Broadband Systems, Inc. successfully concluded its proceedings under the *Companies’ Creditors Arrangement Act* (Canada) pursuant to an order of the Ontario Superior Court of Justice on February 26, 2015.

The Board unanimously recommends that Shareholders vote FOR the election of the above-named Intrinsic director nominees. The persons named in the enclosed form of proxy will vote FOR the election of the Intrinsic director nominees to hold office until the close of the next annual meeting of Shareholders, unless a Shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof.

SPECIAL BUSINESS TO BE CONDUCTED AT THE MEETING

IV Shareholder Rights Plan

Background

At the Meeting, Shareholders will be asked to approve and confirm the Corporation's shareholder rights plan. The Corporation's original shareholder rights plan was first adopted by Shareholders on December 6, 2000 (the "**Original Plan**") and was amended and restated with the approval of Shareholders on December 13, 2006, June 4, 2009, June 28, 2012 and on May 12, 2015 (the "**2015 Rights Plan**"). The 2015 Rights Plan is the Corporation's current shareholder rights plan. The Corporation is proposing to adopt a new shareholder rights plan (the "**2018 Rights Plan**") in a similar form as the 2015 Rights Plan. The 2018 Rights Plan must be approved and confirmed by Shareholders and Independent Shareholders. The Independent Shareholders are the holders of the Common Shares excluding: (i) any Acquiring Person (as defined below); or (ii) any Person (other than a Person that is making or has announced a current intention to make a Take-over Bid for common shares of the Corporation (including a Permitted Bid (as defined below) or a Competing Permitted Bid (as defined below) but excluding any such Person if the Take-over Bid so announced or made by such Person has been withdrawn, terminated or expired; (iii) any affiliate or associate of such Acquiring Person or a Person referred to in clause (ii); (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii); or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the common shares are to be voted or direct whether the common shares are to be tendered to a Take-over Bid.

The Corporation has reviewed the 2018 Rights Plan for conformity with current practices of Canadian companies with respect to shareholder rights plan design. On February 25, 2016, the Canadian Securities Administrators ("**CSA**") announced amendments to National Instrument 62-104 Take-over Bids and Issuer Bids ("**NI 62-104**") that took effect on May 9, 2016. These amendments: (i) subjected Take-over Bids to a minimum tender requirement of more than 50% of the outstanding securities of the class that are subject to the bid; (ii) required that the Take-over Bid be extended for at least an additional 10 day period following the satisfaction of the Take-over Bid's minimum tender requirement and satisfaction/waiver of the Take-over Bid's other terms and conditions; and (iii) extended the minimum period a Take-over Bid must remain open from 35 days to 105 days, with the ability of the target company to voluntarily reduce the period to not less than 35 days. In addition, the minimum period may be reduced due to the existence of certain competing Take-over Bids or alternative change in control transactions.

As a result, the only proposed substantive amendments to the 2015 Rights Plan are those required to bring the 2018 Rights Plan in conformity with NI 62-104. These amendments include: (i) amending the definition of "permitted bid" to be outstanding for a minimum period of 105 days or such shorter period that a Take-over Bid must remain open for deposits of securities, in the applicable circumstances, pursuant to NI 62-104; (ii) to align the definition of a "competing permitted bid" to the minimum number of days as required under NI 62-104; and (iii) to indicate that the "rights agent" for the 2018 Rights Plan is TSX Trust Company. The 2018 Rights Plan is equivalent to the 2015 Rights Plan in all other material respects.

A copy of the 2018 Rights Plan is attached as Schedule "B" to this Circular. All capitalized terms used in this section of the Circular and in Schedule "B" have the meanings set forth in the 2018 Rights Plan, unless otherwise indicated.

Recommendation of the Board of Directors

The Board of Directors has determined that a shareholder rights plan continues to be in the best interests of the Corporation and its Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders vote in favour of the confirmation and approval of the 2018 Rights Plan.

The Corporation has been advised that the directors and senior officers of the Corporation intend to vote all common shares held by them in favour of confirmation and approval of the 2018 Rights Plan.

Proxies received in favour of management will be voted IN FAVOUR of the resolution approving and confirming the 2018 Rights Plan unless a Shareholder has specified in the proxy that his or her shares are to be voted against such resolution.

Text of Resolutions

“BE IT RESOLVED as an ordinary resolution of the Shareholders that:

1. The shareholder rights plan of the Corporation to be dated May 15, 2018 between the Corporation and TSX Trust Company, and as reproduced in Schedule “B” to the Management Information Circular dated April 11, 2018 (the “**Rights Plan**”), which issues shareholder protection rights to holders of Common Shares that are outstanding at the Record Time (as defined in the Rights Plan) on the terms set out in the Rights Plan, and continues the issuance of rights thereafter to holders of newly issued Common Shares until the termination or expiration of the Rights Plan, be and is hereby ratified, confirmed and approved; and
2. Any officer or director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

“BE IT RESOLVED as an ordinary resolution of the Independent Shareholders that:

1. The Rights Plan, which issues shareholder protection rights to holders of Common Shares that are outstanding at the Record Time (as defined in the Rights Plan) on the terms set out in the Rights Plan, and continues the issuance of rights thereafter to holders of newly issued Common Shares until the termination or expiration of the Rights Plan, be and is hereby ratified, confirmed and approved; and
2. Any officer or director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

Vote Required

Shareholder approval and confirmation of the 2018 Rights Plan is not required by law but is required by the terms of the 2018 Rights Plan and applicable stock exchange rules. In accordance with those stock exchange rules, the foregoing resolution must be approved by: (i) a simple majority of 50% plus one vote of the votes cast by holders of Voting Shares at the Meeting, and (ii) a simple majority of 50% plus one vote of the votes cast by Independent Shareholders at the Meeting.

If the above resolutions approving the 2018 Rights Plan is passed at the Meeting, then the Corporation and TSX Trust Company (the “**Rights Agent**”) will execute the 2018 Rights Plan Agreement effective as of the date the resolution is passed.

If the resolution is not passed at the Meeting, the 2015 Rights Plan will become void and of no further force and effect and all outstanding rights under the 2015 Rights Plan will be redeemed.

The Board of Directors reserves the right to alter any terms of the 2018 Rights Plan or not to proceed with the 2018 Rights Plan at any time prior to the Meeting if it determines it would be in the best interests of the Corporation and Shareholders to do so.

Background and Objectives of the 2018 Rights Plan

The Corporation is a widely-held corporation with no controlling Shareholder. The Board of Directors considered various strategies, including approval of a rights plan, to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Common Shares, Shareholders are in a position to receive full and fair value for their common shares. Of concern to the Board of Directors is the possibility that, under existing securities laws, the Corporation’s Shareholders could be treated unequally in the context of a bid for control. These concerns are described in more detail below.

The adoption of the 2018 Rights Plan, as with the 2015 Rights Plan, is not being considered in response to or in anticipation of any pending or threatened Take-over Bid, nor to deter Take-over Bids generally. The 2018 Rights Plan, as with the 2015 Rights Plan, has been designed to provide Shareholders with equal treatment in a bid for control of the Corporation. It is not the intention of the Board of Directors to secure the continuance in office of the existing members of the Board of Directors or to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interest of Shareholders. The rights of Shareholders under existing law to seek a change in the management of the Corporation or to influence or promote action of management in a particular manner will not be affected by the 2018 Rights Plan. The ratification and approval of the 2018 Rights Plan does not affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interest of the Corporation and the Shareholders.

In reviewing the 2018 Rights Plan, the Board of Directors considered concerns pertaining to the equal treatment of shareholders inherent in the existing legislative framework governing Take-over Bids in Canada. While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of a corporation may be acquired pursuant to a private agreement in which a small group of shareholders dispose of shares at a premium to market price, which premium is not shared with other shareholders. In addition, a person may slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all Shareholders. The 2018 Rights Plan addresses these concerns by applying to all acquisitions of greater than 20% of the Voting Shares, to better ensure that Shareholders receive equal treatment.

General Impact of the 2018 Rights Plan

In the past, shareholder rights plans have been criticized by some commentators on the basis that they may serve to deter Take-over Bids, to entrench management, and to place in the hands of boards of directors, rather than shareholders, the decision as to whether a particular bid for acquisition of control is acceptable. Critics of some shareholder rights plans have also alleged that they cast a needlessly wide net, thereby increasing the likelihood of an inadvertent triggering of the plan, while at the same time deterring shareholders from participating in legitimate corporate governance activities.

The Board of Directors has considered these concerns, and believes that they have been largely addressed in the 2018 Rights Plan.

It is not the intention of the Board of Directors to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation. For example, through the Permitted Bid mechanism, described in more detail below, Shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the 2018 Rights Plan, regardless of the acceptability of the bid to the Board of Directors. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board of Directors will continue to be bound to consider fully and fairly any bid for the Corporation's common shares in any exercise of its discretion to waive application of the 2018 Rights Plan or redeem the Rights. In all such circumstances, the Board of Directors must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders.

The 2018 Rights Plan does not preclude any Shareholder from utilizing the proxy mechanism of the CBCA to promote a change in the management or direction of the Corporation, and has no effect on the rights of holders of outstanding voting shares of the Corporation to requisition a meeting of Shareholders, in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their Common Shares. The definitions of "Acquiring Person" and "Beneficial Ownership" have been developed to minimize concerns that the 2018 Rights Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional shareholders and their clients.

The Board of Directors believes that the dominant effect of the 2018 Rights Plan is to enhance shareholder value, and to ensure equal treatment of all Shareholders in the context of an acquisition of control.

The 2018 Rights Plan does not interfere with the day-to-day operations of the Corporation. The issuance of the Rights does not in any way alter the financial condition of the Corporation, impede its business plans

or alter its financial statements. In addition, the 2018 Rights Plan is not dilutive and has not had any effect on the trading of Common Shares. However, if a Flip-In Event occurs and the Rights separate from the common shares, as described in Schedule “B”, reported earnings per share and reported cash flow per share on a fully-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-In Event may suffer substantial dilution.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

All dollar amounts referred to in this Circular are in U.S. dollars unless otherwise designated.

In this Circular, a Named Executive Officer (or “**NEO**”) means each of the following individuals: (i) the Corporation’s Chief Executive Officer (the “**CEO**”); (ii) the Corporation’s Chief Technology Officer (the “**CTO**”); (iii) the Corporation’s Chief Financial Officer (the “**CFO**”); (iv) 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 fiscal 2017 whose total compensation was, individually, more than CAD\$150,000 for fiscal 2017; and (v) each individual who would be an NEO but for the fact that he or she was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of fiscal 2017.

The Objectives

The Corporation’s compensation program for its NEOs has three objectives, namely: (i) to provide a compensation package that encourages and motivates performance; (ii) to be competitive with other companies of similar size and scope of operations, so as to attract and retain talented executives; and (iii) to align the interests of its executive officers with the long-term interests of the Corporation and its Shareholders through share-ownership programs.

Elements of Compensation

The Corporation’s executive compensation program is comprised primarily of the following elements:

- base salary;
- participation in the Corporation’s stock option plan;
- participation in the Corporation’s restricted stock unit plan;
- perquisites and benefits; and
- compensation under the Corporation’s short-term incentive plan, namely a cash bonus, which is awarded on an annual basis.

Each element of the Corporation’s compensation program is chosen to satisfy one or more of the stated compensation objectives. The Corporation’s Compensation and Corporate Governance Committee regularly reviews the various elements of the Corporation’s compensation program to ensure that each element is aligned with both the goals of the Corporation and the individual executive officer. The compensation program, as designed, achieves the Corporation’s compensation objectives through:

- *Benchmarking.* Historically, the Compensation and Corporate Governance Committee had periodically benchmarked the Corporation’s executive compensation with a peer group of companies using technology industry survey data. In 2017, the Compensation and Corporate Governance Committee compared the Corporation’s executive compensation against that of comparable companies on the basis that they are both publicly-traded corporations operating in the technology sector.

- *Providing Fixed and Variable Compensation.* The Corporation provides a mix of fixed and variable compensation (heavily weighted to variable compensation for the NEOs) designed to attract, retain and motivate top performing executives, as well as appropriately link compensation levels with the achievement of relevant financial and strategic goals. The Corporation's fixed compensation includes salary, perquisites and benefits. The Corporation's variable compensation includes: (i) participation in the Corporation's stock option plan; (ii) participation in the Corporation's restricted stock unit plan; and (iii) compensation under the short-term incentive plan.
- *Providing a Mix of Equity and Cash Incentives.* The Corporation provides a mix of equity compensation, through participation in its stock option plan and restricted stock unit plan, and cash incentives designed to motivate executive officers to focus on achieving performance results that lead to sustainable long-term shareholder returns.

Independent Compensation Consultant

Under its mandate, the Compensation and Corporate Governance Committee has the sole authority to select, retain and terminate a compensation consultant and to approve the consultant's fees and other retention terms. The Compensation and Corporate Governance Committee is also entitled to the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. In each of fiscal 2015, 2016 and 2017, the Compensation and Corporate Governance Committee did not engage any independent consultants having regard to the Corporation's ongoing cost reduction initiatives. The Compensation and Corporate Governance Committee may engage such independent consultants in fiscal 2018.

Recommendations of Management

In general, the Compensation and Corporate Governance Committee develops pay strategies and recommendations for the CEO. The Compensation and Corporate Governance Committee is responsible for the initial review and discussion regarding all matters involving the CEO's compensation. After this review, the Compensation and Corporate Governance Committee prepares its recommendation for the Board to review and discuss. The independent members of the Board have the sole authority to approve compensation decisions made with respect to the CEO.

With respect to the Corporation's other senior management and employees, it is the CEO who develops the pay strategies and recommendations, which the Compensation and Corporate Governance Committee then reviews and discusses. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For senior management, decisions must be approved by the CEO, subject to the Compensation and Corporate Governance Committee's overall review and acceptance. For employees below the level of senior management, the CEO and his designees have the authority to approve pay actions. However, the Compensation and Corporate Governance Committee is responsible for approving actions related to other aspects of these employees' compensation, such as any grant of options and, if appropriate, the amount of any bonus pool.

The Determination of Each Element

The Compensation and Corporate Governance Committee's processes for establishing and overseeing NEO compensation include:

- *Meetings:* The Compensation and Corporate Governance Committee meets to consider the Corporation's executive compensation, benefit plans and policies; and
- *Role of Executive Officers and Management.* Each year, the CEO provides the Committee with an individual performance assessment for each of the other NEOs, his or her direct reports and other executive officers, along with compensation recommendations for each group. The Committee reviews and discusses these recommendations with the CEO and has full discretion over all recommended compensation actions.

When determining compensation policies and individual compensation levels for the NEOs, the Compensation and Corporate Governance Committee takes into consideration a variety of factors. These factors include: (i) overall financial and operating performance of the Corporation; and (ii) the Compensation and Corporate Governance Committee's and the Board's overall assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility, and length of service.

- *Salary:* The base salary for each NEO is determined based on his or her responsibilities, individual performance factors, overall corporate performance, and the assessment of such individual as presented by management to the Board and the Compensation and Corporate Governance Committee. The base salaries of executive officers are reviewed annually.
- *Stock Options:* NEOs benefit from the improved performance of the Corporation through their participation in the Corporation's stock option plan (the "**Option Plan**"). The Compensation and Corporate Governance Committee may from time to time recommend the grant of stock options to the Corporation's executive officers under the Option Plan. All grants of options are reviewed and approved by the Board. Grants of stock options are intended to emphasize the executive officers' commitment to the Corporation's growth and the enhancement of share value and to reward executive officers for the Corporation's performance through appreciation in equity values. The grant of stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. The Compensation and Corporate Governance Committee reviews option balances annually and recommends grants to newly hired executive officers at the commencement of their initial employment. The amount and terms of outstanding options held by an executive officer are taken into account when determining whether and how new option grants should be made to the executive. The number of Common Shares which may be subject to option in favour of any one individual is limited under the terms of the Option Plan, and the limit cannot be increased without Shareholder or regulatory approval.
- *Restricted Stock Units:* NEOs also benefit from the improved performance of the Corporation through their participation in the Corporation's restricted stock unit plan (the "**RSU Plan**"). The Board believes that the RSU Plan will secure for the Corporation and its shareholders the benefits of the incentives inherent in share ownership by the senior officers, directors, employees and consultants of the Corporation and its subsidiaries. The Compensation and Corporate Governance Committee has the power, subject to the limits imposed by the RSU Plan, to: (i) award RSUs; (ii) determine the terms under which RSUs are granted; (iii) cancel, amend, adjust or otherwise change any grant of RSUs; (iv) interpret the RSU Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the RSU Plan; and (v) make all other determinations and take all other actions in connection with the implementation and administration of the RSU Plan. Subject to any adjustments provided for in the RSU Plan and any subsequent amendment to the RSU Plan, the aggregate number of Common Shares reserved for issuance pursuant to the RSU Plan will not exceed 500,000 Common Shares.
- *Perquisites and Benefits:* The Compensation and Corporate Governance Committee also determines perquisites for each NEO. Executive officers also participate in the Corporation's employee health insurance benefit plans.
- *Short-term Incentive Plan:* NEOs also benefit from the improved performance of the Corporation from time to time by the receipt of cash bonuses, awarded at the discretion of the Compensation and Corporate Governance Committee based on bonus targets set in conjunction with the annual financial budget. Cash bonuses are typically paid once per year in the first quarter and reflect a performance assessment from the immediately preceding financial year.

Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee currently consists of Thomas J. Bitove (Chair), George Duguay and Jeffrey MacDonald, all of whom are independent directors. The Chair of the Compensation and Corporate Governance Committee has experience that is relevant to his responsibilities in executive compensation inclusive of his former role as a chief executive officer that enables the Compensation and Corporate Governance Committee to make decisions on the suitability of the Corporation's compensation policies and practices. The Compensation and Corporate Governance Committee undertakes to set and review the compensation policies and practices on a periodic basis, which policies and practices are subject to approval by the Corporation's Board. The Compensation and Corporate Governance Committee meets periodically during each fiscal year to perform such duties.

Compensation paid to NEOs in 2017

There were no material differences in the Corporation's compensation policies with respect to any of the NEOs for fiscal 2017. Each employment contract between the Corporation and an NEO sets out the parameters for that individual's short-term incentive payment entitlement, as follows:

Name and Principal Position	Incentive Target
Tracy Rees Chief Executive Officer and President	\$100,000 USD
George Reznik Chief Financial Officer and Secretary	25% of base salary (base salary is \$230,000 CAD)
Clifford Morton Vice President, Client Solutions	20% of base salary (base salary is \$162,000 CAD)
Victor Gonzalez Vice President, Engineering	Corporate Performance Objectives subject to Board of Director approval
Mark Waldenberg Vice President, Global Sales	Corporate Performance Objectives subject to Board of Director approval

Below are the specific compensation actions for each of the Corporation's NEOs in fiscal 2017. See also the Summary Compensation Table under the heading "Compensation of Named Executive Officers".

Base Salaries

Name and Principal Position	Base Salary
Tracy Rees Chief Executive Officer and President	\$250,000 USD
George Reznik Chief Financial Officer and Secretary	\$230,000 CAD
Clifford Morton Vice President, Client Solutions	\$162,000 CAD
Victor Gonzalez Vice President, Engineering	\$161,280 CAD
Mark Waldenberg Vice President, Global Sales	\$130,000 USD

Actual Short-Term Annual Incentive Compensation

In accordance with the Corporation's plan for fiscal 2017, the Board established corporate performance objectives for the 2017 short-term incentive plan. These objectives are based on the achievement of certain financial and operational objectives contained in the Board-approved financial budget for fiscal 2017 with a corporate bonus of \$300,000, in the aggregate, payable to the Corporation's NEOs or such other members of the Corporation's management as determined by the Board based solely on the achievement of certain performance targets (based on revenue, customer product design wins, customer SOM production wins and EBITDA) being achieved by the Corporation in fiscal 2017. Revenue and EBITDA are each equally weighted at thirty-five percent (35%) and customer design wins and customer production wins are each equally weighted at fifteen percent (15%) of the total corporate bonus, subject to the Corporation achieving sufficient EBITDA to fund payment of the corporate bonus. The Corporation also has an incremental short-term incentive plan in addition to the above base bonus plan which is payable upon the achievement of incremental performance targets of Revenue and EBITDA, respectively, with each target being equally weighted at fifty percent (50%) up to a maximum of \$300,000, in the aggregate, in addition to its base short-term incentive plan, subject to the Corporation achieving sufficient EBITDA to fund payment of this incremental corporate bonus.

The following table summarizes the Corporation's performance goals and results for fiscal 2017:

2017 Corporate Performance Objective	Weighting of Performance Target	Performance Target	Actual Result
Annual Revenue	35%	\$24.2 million	\$20.5 million
Annual EBITDA	35%	\$1.8 million	\$0.6 million
Total Customer Design Wins	15%	48	50
Total Customer Production Wins	15%	18	22

The Corporation did not achieve the Annual Revenue or Annual EBITDA but did achieve the total Customer Product Design Win and Customer Production Win targets in the year ended December 31, 2017 resulting in short-term annual incentive compensation of \$90,000 being paid by the Corporation.

Compensation Plan Changes for 2018

The corporate performance objectives for the 2018 short-term incentive plan are based on the achievement of certain financial and operational objectives contained in the Board-approved financial budget for fiscal 2018 with a corporate bonus payable to the Corporation's NEOs or such other members of the Corporation's management as determined by the Board of \$300,000, in the aggregate, based solely on the achievement of certain performance targets (based on revenue and EBITDA) being achieved by the Corporation in fiscal 2018 based upon the achievement of minimum revenue and EBITDA targets with the amount of the incentive plan being determined based upon the Corporation's EBITDA performance. In addition, the incentive compensation plan payable will be further increased over the above amount by an amount of twenty percent of the incremental EBITDA generated by the Corporation in excess of the above referenced EBITDA target of the Corporation for fiscal year 2018.

Stock Options

All of the NEOs who are currently employed by the Corporation received in aggregate a grant of 163,450 stock options in fiscal 2017 year in accordance with the Option Plan.

RSU Plan

All of the NEOs who are currently employed by the Corporation received in aggregate a grant of 144,000 restricted stock units in fiscal 2017 year in accordance with the Corporation's RSU Plan.

Perquisites

The Corporation made company contributions to the Corporation's RRSP and Savings Incentive Match Plan for Employees Individual Retirement Account Plan (*SIMPLE IRA*) on behalf of employees in fiscal 2017.

Risks Associated with Compensation Policies

In carrying out its mandate, the Board and the Compensation and Corporate Governance Committee have considered the implications of the risks associated with the Corporation's compensation policies and practices. The Board and the Compensation and Corporate Governance Committee do not believe that the Corporation's compensation programs encourage the Corporation's executive officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (i) the Corporation's compensation policies and practices are uniform throughout its organization and there are no significant differences in compensation structure among the senior executives; (ii) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies; (iii) the compensation packages for executive officers consist of fixed (base salary and perquisites) and variable elements (cash bonuses and options) which are designed to balance short term goals and the long-term interests of the Corporation and are aimed at creating sustainable value for the Shareholders; (iv) in exercising its discretion under option grants, the Board reviews individual and corporate performance taking into account the long-term interests of the Corporation; (v) options granted under the Option Plan generally vest over a three year period which further mitigates any short-term risk taking potential; and (vi) the Corporation has established financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation.

Compensation of Named Executive Officers

The following table sets out all compensation paid, payable, awarded or granted by the Corporation for the three most recently completed financial years of the Corporation ended December 31, 2017, December 31, 2016 and December 31, 2015 in respect of the Corporation's NEOs.

Summary Compensation Table

Name and Principal Position of Named Executive Officer	Year	Salary (US\$)	Share-based Awards (US\$) ⁽¹¹⁾	Option-based Awards ⁽⁷⁾ (US\$)	Non-equity incentive plan compensation		Pension value (US\$)	All Other Compensation (US\$)	Total Compensation (US\$)
					Annual Incentive Plans ⁽⁸⁾ (US\$)	Long-term Incentive Plans ⁽⁹⁾ (US\$)			
Tracy Rees,⁽¹⁾ Chief Executive Officer and President	2017	\$250,000	\$38,496	\$44,262	\$30,000	N/A	N/A	Nil	\$362,758
	2016	\$250,000	Nil	Nil	Nil	N/A	N/A	Nil	\$250,000
	2015	\$250,000	Nil	\$78,486	\$90,000	N/A	N/A	Nil	\$418,486
George Reznik,⁽²⁾⁽⁶⁾ Chief Financial Officer and Secretary	2017	\$177,100	\$21,873	\$24,935	\$22,000	N/A	N/A	Nil	\$245,908
	2016	\$173,650	Nil	Nil	Nil	N/A	N/A	Nil	\$173,650
	2015	\$179,883	Nil	\$40,363	\$45,000	N/A	N/A	Nil	\$265,246
Clifford Morton,⁽³⁾⁽⁶⁾ Vice President, Client Solutions	2017	\$120,136	\$21,873	\$24,935	\$19,000	N/A	N/A	Nil	\$185,944
	2016	\$113,250	Nil	Nil	Nil	N/A	N/A	Nil	\$113,250
	2015	\$114,121	Nil	\$30,394	\$20,000	N/A	N/A	Nil	\$164,515
Victor Gonzalez,⁽⁴⁾⁽⁶⁾ Vice President, Engineering	2017	\$117,548	\$21,873	\$24,935	\$19,000	N/A	N/A	Nil	\$183,356
	2016	\$108,720	Nil	Nil	Nil	N/A	N/A	Nil	\$108,720
	2015	\$105,584	Nil	\$26,997	\$20,000	N/A	N/A	Nil	\$152,581
Mark Waldenberg,⁽⁵⁾ Vice President, Global Sales	2017	\$130,000	\$21,873	\$26,247	Nil	N/A	N/A	\$94,314 ⁽¹⁰⁾	\$272,434
	2016	\$130,000	Nil	Nil	Nil	N/A	N/A	\$100,063 ⁽¹⁰⁾	\$230,063
	2015	\$127,083	Nil	\$33,790	Nil	N/A	N/A	\$62,109 ⁽¹⁰⁾	\$222,982

Notes:

(1) Mr. Tracy Rees was appointed President and Chief Executive Officer on June 4, 2009. Prior to that date, Mr. Rees served as the Corporation's Interim Chief Executive Officer from November 12, 2008 to June 4, 2009. Prior to such appointment, Mr. Rees served as Chief Operating Officer from September 22, 2008 to November 12, 2008 and Vice President & General Manager, Global Engineering Services, prior to such date. Prior to 2008, Mr. Rees was an independent contractor providing services to the Corporation. Mr. Rees served as a director of the Corporation from June 28, 2010 to April 17, 2013 and from June 13, 2017 until present. Mr. Rees was not paid any incremental compensation for his services as a director during this time.

(2) Mr. George Reznik joined the Corporation as Chief Financial Officer on April 15, 2008. Mr. Reznik was appointed Secretary on April 1, 2009. All compensation for Mr. Reznik was paid in Canadian dollars.

(3) Mr. Clifford Morton was appointed Vice President, Client Solutions on August 6, 2015 and was paid in Canadian dollars.

(4) Mr. Victor Gonzalez was appointed Vice President, Engineering on August 6, 2015 and was paid in Canadian dollars.

(5) Mr. Mark Waldenberg was appointed to Vice President, Global Sales on August 6, 2015. From April 2, 2015 to September 30, 2015, the Corporation engaged Mr. Waldenberg as a contractor who was paid on a variable compensation basis only. On October 1, 2015, Mr. Waldenberg transitioned to a full time employee.

(6) The amounts paid to Mr. Victor Gonzalez, Mr. Clifford Morton and Mr. George Reznik were paid in Canadian dollars and were converted to U.S. dollars using the Bank of Canada's average Canadian to U.S. dollar exchange rates as follows:

2017	\$0.7701
2016	\$0.7550
2015	\$0.7821

(7) The value of the Option-based awards was determined using the Black Scholes valuation methodology.

(8) Represents the cash bonus awards to be paid to the NEOs. Bonuses earned are attributable to the noted financial year and are paid in the first quarter following the completion of the financial year.

(9) A long-term incentive plan is a plan providing compensation intended to motivate performance over a period greater than one financial year and does not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Corporation did not have any long-term incentive plan in place at the end of the financial year ended December 31, 2017.

(10) Other compensation for Mr. Mark Waldenberg relates to commissions.

(11) The value of the RSU based awards was determined using the Intrinsic valuation methodology.

Hedging

The Corporation's treasury management policy prohibits any NEO or director from purchasing non-policy financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by any NEO or director.

Incentive Plan Awards

The Corporation adopted a stock option plan which was approved by the Corporation's Shareholders on June 26, 2013 pursuant to the rules of the TSX. The Corporation received approval of the renewal of the Option Plan at the annual general and special meeting of shareholders held on May 14, 2016.

The Corporation adopted the RSU Plan which was approved by the Corporation's Shareholders at the annual general and special meeting of shareholders held on May 16, 2017 pursuant to the rules of the TSX.

Summary of the Terms of the Option Plan

The Compensation and Corporate Governance Committee may determine, in its sole discretion, the vesting schedule applicable to each stock option, which vesting schedule will be set out in an option agreement whereby the Corporation grants a stock option to a person entitled to receive such stock option (the "**Option Agreement**"), and which will determine when a stock option becomes exercisable by the stock option holder. The current practice is to grant employee stock options with a life of five years from the date of grant, and vesting one-third (1/3) after the first year and one-twelfth (1/12) every quarter thereafter. These stock options are priced based on the closing price of the Common Shares on the trading day before grant.

The Option Plan reserves for issuance pursuant to stock options a maximum number of Common Shares equal to the lower of: (a) a rolling number equal to 10% of the issued and outstanding Common Shares on the date of grant, less one Common Share, and (b) 3,750,000 Common Shares. The maximum number of Common Shares issuable pursuant to the Option Plan is required in order for the options to qualify as an incentive stock option for U.S. tax purposes. In addition, any exercises of options will make new grants available under the Option Plan, effectively resulting in a re-loading of the number of options available to grant under the Option Plan.

The number of Common Shares issuable to any one person, other than non-employee directors, entitled to receive stock options issued pursuant to all share compensation arrangements shall not exceed 5% of the total number of issued and outstanding Common Shares. The number of Common Shares reserved for issuance to non-employee directors shall not exceed 1% of the total number of issued and outstanding Common Shares. The number of Common Shares reserved for issuance to insiders at any time and the number of Common Shares issued to all insiders within a one year period under the incentive plans shall not exceed 10% less one Common Share of the issued and outstanding Common Shares. In addition, within any one-year period, no Insider and such Insider's associates may receive Common Shares issued pursuant to all share compensation arrangements exceeding 5% of the outstanding Shares.

In the event of an option holder's death, disability or retirement, the stock options held by such person shall be exercisable to acquire vested but unexercised options at any time prior to the earlier of the expiry date of the stock options and 365 days from the date of such death, disability or retirement. If the option holder is terminated for cause, any outstanding stock option held by such option holder on the date of termination, whether in respect of Common Shares under the option that are vested or not, shall be cancelled as of that date. If the option holder ceases to be a director, officer or service provider of the Corporation as a result of early retirement, voluntary resignation, or termination other than for cause, the stock options held by such person shall be exercisable to acquire vested but unexercised options at any time prior to the earlier of the expiry date of the stock options and 30 days from the date such option holder ceased to be a director, officer or service provider, subject to (i) a short extension in the case the expiry date falls during a blackout period, or (ii) extension in the sole discretion of the Compensation and Corporate Governance Committee so long as such extension does not go past the expiry date of the options. Options that have not vested at that time shall not be exercisable and shall be cancelled.

Subject to the provisions of the CBCA and, if required, subject to prior acceptance of the TSX, the Board may at any time or from time to time authorize the Corporation to provide financial assistance to an option holder, on such terms and conditions as the Board may determine, to assist such option holder in exercising his or her stock options, said financial assistance to be repayable with full recourse.

An option holder may not assign any of his or her rights under the Option Plan.

The price for Common Shares under each option shall not be less than the market price, being the closing price per Common Share on the applicable exchange for the last market trading day prior to the date it was determined to grant said stock option. The term for each option shall be set by the Board at the time of issue of the stock option but in any case shall not exceed 10 years after the date the option is granted, subject to a short extension in the case the expiry date falls during a blackout period.

In addition, under the Option Plan, the Board may also issue Common Shares or reserve Common Shares for issuance under a bonus share plan as a discretionary bonus to certain persons, subject to such restrictions as the Board may determine and subject to all necessary approvals of any securities regulatory authority having jurisdiction over the Shares. In addition to the limitations described above in terms of the number of Common Shares that may be issued under the Option Plan, (a) the number of Common Shares issuable under the share bonus plan to any one optionee that is employed by the Corporation in an investor relations capacity shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis, and (b) Common Shares may not be issued to non-employee directors under the Common Share Bonus Plan. The aggregate maximum number of Common Shares issued under the Common Share Bonus Plan in each calendar quarter shall not exceed the lesser of 18,750 and such number of Common Shares as has an aggregate value of not more than \$50,000 based on the market price of the Common Shares as at the end of that quarter. Notwithstanding the preceding sentence, the aggregate maximum number of Common Shares issued under the share bonus plan shall not exceed 31,250 Shares.

The Board may at any time and from time to time and without Shareholder approval, either prospectively or retrospectively, amend, suspend or terminate the Option Plan or any option granted under the Option Plan, including, without limiting the generality of the foregoing, changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Option Plan, changes regarding the right to exercise options after termination and changes regarding the vesting of options; provided however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Common Shares are listed;
- (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an option holder with respect to any then outstanding option, as determined by the directors acting in good faith, without his or her consent in writing;
- (c) notwithstanding the foregoing the Board shall obtain Shareholder approval of:
 - (i) any amendment to the maximum number of Common Shares in respect of which options may be granted under the Option Plan;
 - (ii) any amendment that would reduce the exercise price of an outstanding option;
 - (iii) any amendment that would extend the term of any option granted under the Option Plan beyond the expiry date;
 - (iv) any cancellation and re-issue of options;
 - (v) any amendments to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-executive director participation;

- (vi) any amendment which would permit options granted under the Option Plan to be transferable or assignable other than for normal estate settlement purposes; and
- (vii) any amendment to the amending provision of the Option Plan.

Outstanding Share-Based and Option-Based Awards

The following table sets out, for each NEO who was employed by the Corporation as at December 31, 2017, information concerning all option-based and share-based awards outstanding as of December 31, 2017. This includes awards granted before the end of the financial year ended December 31, 2017.

Option-based Awards					Share-based Awards		
Name of Named Executive Officer	Number of Securities underlying Unexercised Options (#)	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (CAD\$)	Number of Securities underlying RSUs (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Tracy Rees	62,500	\$0.52	August 15, 2018	\$61,875	44,000	\$66,440	Nil
	62,500	\$0.80	May 20, 2019	\$44,375			
	61,500	\$0.89	June 2, 2020	\$37,975			
	47,950	\$2.04	June 12, 2022	N/A			
George Reznik	3,125	\$0.52	August 15, 2018	\$3,094	25,000	\$37,750	Nil
	43,750	\$0.80	May 20, 2019	\$31,063			
	37,500	\$0.89	June 2, 2020	\$23,250			
	28,500	\$2.04	June 12, 2022	N/A			
Clifford Morton	6,668	\$0.89	June 2, 2020	\$4,134	25,000	\$37,750	Nil
	28,500	\$2.04	June 12, 2022	N/A			
Victor Gonzalez	6,250	\$0.52	August 15, 2018	\$6,188	25,000	\$37,750	Nil
	12,500	\$0.80	May 20, 2019	\$8,875			
	13,000	\$0.89	June 2, 2020	\$8,060			
	28,500	\$2.04	June 12, 2022	N/A			
Mark Waldenberg	9,375	\$0.52	August 15, 2018	\$9,281	25,000	\$37,750	Nil
	12,500	\$0.80	May 20, 2019	\$8,875			
	50,000	\$0.82	October 1, 2019	\$34,500			
	27,000	\$0.89	June 2, 2020	\$16,740			
	30,000	\$2.04	June 12, 2022	N/A			

Notes:

(1) Represents the aggregate dollar amount of in-the-money unexercised options held as of December 31, 2017. Based on the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51.

(2) Represents the aggregate dollar amount of the RSUs held as of December 31, 2017 based on the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51.

Value Vested or Earned During the Year

The following table sets out for each NEO, information concerning the value of incentive plan awards (option-based as well as non-equity incentive plan compensation) vested or earned during the financial year ended December 31, 2017.

INCENTIVE AWARD PLAN - VALUE VESTED OR EARNED DURING FINANCIAL YEAR ENDED DECEMBER 31, 2017			
Name of Named Executive Officer	Option-based Awards – Value vested during the year (US\$) ⁽¹⁾	Share-based Awards – Value vested during the year (US\$) ⁽²⁾	Non-equity Incentive Plan Compensation – Value earned during the year (US\$)
Tracy Rees ⁽¹⁾	\$27,591	Nil	Nil
George Reznik ⁽¹⁾	\$17,919	Nil	Nil
Clifford Morton ⁽¹⁾	\$7,527	Nil	Nil
Victor Gonzalez ⁽¹⁾	\$5,711	Nil	Nil
Mark Waldenberg ⁽¹⁾	\$24,648	Nil	Nil

Notes:

(1) All option-based awards were calculated in Canadian dollars. The amounts above were converted to U.S. dollars using the average Bank of Canada's Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

(2) All vested RSU-based awards were calculated in Canadian dollars.

Summary of the Terms of the RSU Plan

The principal purpose of the RSU Plan is to provide incentives to attract, retain and motivate high calibre personnel, including senior officers, directors, employees and consultants, whose contributions are important to the success of the Corporation. The Board believes that the RSU Plan will secure for the Corporation and its shareholders the benefits of the incentives inherent in share ownership by the senior officers, directors, employees and consultants of the Corporation and its subsidiaries.

Under the RSU Plan, restricted stock units (“**RSUs**”) may be granted to Participants by the Compensation and Corporate Governance Committee as discretionary payments with time-based or performance-based vesting conditions. The maximum number of Common Shares reserved for issuance pursuant to RSUs is 500,000 Common Shares, representing 2.4% of the Corporation's issued and outstanding Common Shares as of the date of this Circular.

- *Administration.* The RSU Plan is administered by a plan administrator (the “**Plan Administrator**”) (which is initially the Compensation and Corporate Governance Committee) which has the power, subject to the limits imposed by the RSU Plan, to: (i) award RSUs; (ii) determine the terms under which RSUs are granted; (iii) cancel, amend, adjust or otherwise change any grant of RSUs; (iv) interpret the RSU Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the RSU Plan; and (v) make all other determinations and take all other actions in connection with the implementation and administration of the RSU Plan.
- *Total Shares Subject to RSUs.* Subject to any adjustments provided for in the RSU Plan and any subsequent amendment to the RSU Plan, the aggregate number of Common Shares reserved for issuance pursuant to the RSU Plan will not exceed 500,000 Common Shares. RSUs that terminate or are cancelled will again become available for issuance under the RSU Plan.
- *Participants.* All officers, directors, employees and consultants of the Corporation or a subsidiary (each such individual, a “**Participant**”) are eligible to receive RSUs under the RSU Plan. The Board or the Committee reserves the right to restrict eligibility or otherwise limit the number or category of Persons eligible for participation in the RSU Plan at any time.
- *Limits on Participation.* In addition to the limit on the number of Common Shares available for issuance, the RSU Plan provides for the following limitations:
 - The number of Common Shares issuable to any one Participant under all Incentive Plans may not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis;

- The number of Common Shares which may be issuable within a one year period to any one Participant who is an Insider or an Associate of such Insider under all Incentive Plans may not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis;
- The number of Common Shares issuable to Insiders under all Incentive Plans at any time, and the number of Common Shares issued to all Insiders within any one year period, may not exceed 10% less one Common Share of the total number of issued and outstanding Common Shares on a non-diluted basis; and
- The number of Common Shares reserved for issuance to non-employee directors under all Incentive Plans at any time may not exceed 1% of the total number of issued and outstanding Common Shares on a non-diluted basis, and the aggregate value of any grant under all Incentive Plans to any one non-employee director in any calendar year may not exceed \$100,000 (based on the grant date fair value of the Common Shares underlying the RSUs).
- *Vesting.* RSUs may be subject to vesting conditions, including time-based or performance-based criteria. Any vesting requirements will be set out in the Award Notice. Any RSUs that remains unvested on December 31st of the third calendar year following the year in which the RSU was granted, shall expire and be cancelled.
- *Dividend Equivalent.* In the event a cash dividend is paid to the shareholders of the Corporation on the Common Shares while an RSU is outstanding, the Plan Administrator may, in its sole discretion, elect to credit each Participant with additional RSUs equal to the aggregate amount of dividends that would have been paid to the Participant if the RSUs had been Common Shares divided by the closing price of the Common Shares on the date on which the dividends were paid by the Corporation.
- *Termination.* The RSU Plan addresses how RSUs are handled in the event of the Participant's death, disability, termination of employment with or without cause, resignation and retirement.
- *No Assignment.* The RSUs are not transferable.
- *RSU Settlement.* As soon as practicable after the vesting of the RSUs, the Corporation shall, at its sole election and option, either (i) issue to the Participant Common Shares equal to the vested number of RSU, or (ii) pay to the Participant a lump sum payment in cash equal to the number of vested RSUs in the Participant's account multiplied by the price of the Common Shares on the date of payment. All outstanding unvested RSUs may be accelerated and be fully vested upon the occurrence of a change of control at the discretion of the Plan Administrator.
- *Plan Amendment.* The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares in the capital of the Corporation, amend, modify, change, suspend or terminate the RSU Plan or any RSUs granted pursuant to the RSU Plan as it, in its discretion, determines appropriate, provided, however, that:
 - no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the RSU Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements;
 - approval of the holders of voting shares in the capital of the Corporation (in accordance with the rules of the exchange upon which the Common Shares may be listed) shall be required for any amendment, modification or change that:
 - increases the number of Common Shares reserved for issuance under the RSU Plan, except pursuant to the provisions in the RSU Plan which permit the Plan

Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

- permit RSUs to be transferred other than for normal estate settlement purposes;
- change the Insider participation limits; and
- deletes or reduces the range of amendments which require approval of the holders of voting shares in the capital of the Corporation.

Option Plan and RSU Plan Burn Rate

The following table sets forth the burn rate for each of the Option Plan and RSU Plan for each of the fiscal years ended December 31, 2017, 2016 and 2015, expressed as the number of securities granted under the Option Plan and RSU Plan for the applicable fiscal year divided by the weighted average number of securities outstanding for the applicable fiscal year:

Burn Rate⁽¹⁾		
	Option Plan	RSU Plan
2017	2.05%	1.04%
2016	0.59%	N/A ⁽²⁾
2015	5.21%	N/A ⁽²⁾

Notes:

(1) The burn rate is calculated by dividing the number of stock options and RSUs granted under the Option Plan and RSU Plan during the relevant financial year by the weighted average number of common share outstanding for the applicable financial year.

(2) The RSU Plan was adopted by the Company at its AGM on May 16, 2017 and accordingly was not in effect during FY2016 and FY2015.

Equity Compensation Plan Information

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (as at December 31, 2017) (a)	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (as at December 31, 2017) (CAD\$) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in (a)) (as at December 31, 2017) (c)
Equity Compensation Plans Approved by Securityholders	1,509,349	\$1.22	788,868
Equity Compensation Plans Not Approved by Securityholders	Nil	Nil	Nil
Total	1,317,229	\$1.22	788,868

As of April 3, 2017, the Corporation had 1,486,729 options issued and outstanding under the Option Plan and had granted 192,120 RSUs under the RSU Plan.

Pension Plan Benefits

The Corporation does not have defined benefit or defined contribution pension plans in place, whether determined primarily by final compensation and years of service or not.

Termination and Change of Control Benefits

NEO Employment Agreements

Intrinsyc Software (USA), Inc. entered into an employment agreement with Tracy Rees made effective September 22, 2008 pursuant to which he served as the Corporation's Chief Operating Officer. On November 12, 2008, Mr. Rees was appointed to the position of Interim Chief Executive Officer and on June 4, 2009 he was appointed Chief Executive Officer and President. Mr. Rees currently receives an annual base salary of \$260,000 and is also entitled to receive a performance bonus of up to \$100,000 based on the achievement of specific objectives. A performance bonus of \$30,000 was paid to Mr. Rees in respect of the 2017 financial year in addition to the grant of 44,000 units under the RSU Plan. If Mr. Rees' employment is terminated without cause, including termination without cause subsequent to a "change of control" (as defined in the Option Plan), the Corporation will pay him six (6) months' base salary, plus two (2) months' base salary per year of service (prorated for partial years), to a maximum of twelve (12) months of his base annual salary and Mr. Rees' employee benefits will continue for six (6) months following the termination, in lieu of notice of termination of employment. In the event of a "change of control" of the Corporation and subsequent termination in the period between the "change of control" and 180 days thereafter, all of Mr. Rees' stock options will automatically vest and become exercisable for 30 days after the termination. All payments and continuation of benefits in the event of a termination without cause or a "change of control" and subsequent termination are subject to Mr. Rees signing and not revoking a general release in favour of the Corporation.

The Corporation entered into an employment agreement with Mr. George Reznik effective April 15, 2008 pursuant to which he serves as the Corporation's Chief Financial Officer. Mr. Reznik currently receives an annual base salary of \$239,200 CAD and is also entitled to receive a performance bonus of up to \$59,800 CAD based on the achievement of specific objectives. A performance bonus of \$22,000 was paid to Mr. Reznik in respect of the 2017 financial year in addition to the grant of 25,000 units under the RSU Plan. If Mr. Reznik's employment is terminated without cause, including termination without cause subsequent to a "change in control" (as defined in the Option Plan), the Corporation will pay him six (6) months' base salary, plus two (2) months' base salary per year of service (prorated for partial years) to a maximum of twelve (12) months of his base annual salary and Mr. Reznik's employee benefits will continue for six (6) months following the termination, in lieu of notice of termination of employment. In the event of a "change of control" of the Corporation and subsequent termination in the period between the "change of control" and 180 days thereafter, all of Mr. Reznik's stock options will automatically vest and become exercisable for thirty (30) days after the termination.

The Corporation entered into an employment agreement with Mr. Clifford Morton effective January 28, 2000 pursuant to which he serves as the Corporation's Vice President, Client Solutions. Mr. Morton currently receives an annual base salary of \$165,240 CAD and is also entitled to receive a performance bonus based on the achievement of specific objectives. A performance bonus of \$19,000 was paid to Mr. Morton in respect of the 2017 financial year in addition to the grant of 25,000 units under the RSU Plan. If Mr. Morton's employment is terminated without cause, including termination without cause subsequent to a "change in control" (as defined in the Option Plan), the Corporation will pay him six (6) months' base compensation, in lieu of notice of termination of employment.

The Corporation entered into an employment agreement with Mr. Victor Gonzalez effective September 23, 2005 pursuant to which he serves as the Corporation's Vice President, Engineering. Mr. Gonzalez currently receives an annual base salary of \$164,505 CAD and is also entitled to receive a performance bonus based on the achievement of specific objectives. A performance bonus of \$19,000 was paid to Mr. Gonzalez in respect of the 2017 financial year in addition to the grant of 25,000 units under the RSU Plan. If Mr. Gonzalez's employment is terminated without cause, the Corporation will pay him severance as required under the *Employment Standards Act* (British Columbia).

The Corporation entered into an employment agreement with Mr. Mark Waldenberg effective September 29, 2014 pursuant to which he serves as the Corporation's Vice President, Global Sales. Mr. Waldenberg currently receives an annual base salary of \$135,200 and is paid additional variable compensation based upon individual sales and corporate performance. Mr. Waldenberg received a grant of 25,000 units under the RSU Plan in 2017. Prior to his current employment with the Corporation, Mr. Waldenberg was a contractor to the Corporation providing sales and business development services from 2012 through 2014. If Mr. Waldenberg's employment is terminated without cause, including termination without cause subsequent to a "change in control" (as defined in the Option Plan), the Corporation will pay him six (6) months' base salary and Mr. Waldenberg's employee benefits will continue for six (6) months following the termination, in lieu of notice of termination of employment.

Below are the estimated incremental payments to NEOs as of December 31, 2017 under various termination scenarios. There are no incremental payments payable to the Corporation's NEOs in the case of termination for cause.

ESTIMATED BENEFITS AT DECEMBER 31, 2017 IN CONNECTION WITH A RETIREMENT OR VOLUNTARY RESIGNATION						
Name of Named Executive Officer	Salary (US\$)	Annual Incentive Bonus (US\$)	Benefits and Perquisites (US\$)	Options (US\$)⁽²⁾	RSUs (US\$)⁽³⁾	Total (US\$)
Tracy Rees	Nil	Nil	Nil	106,192	Nil	\$106,192
George Reznik ⁽¹⁾	Nil	Nil	Nil	41,224	Nil	\$41,224
Clifford Morton ⁽¹⁾	Nil	Nil	Nil	1,592	Nil	\$1,592
Victor Gonzalez ⁽¹⁾	Nil	Nil	Nil	16,771	Nil	\$16,771
Mark Waldenberg ⁽¹⁾	Nil	Nil	Nil	51,293	Nil	\$51,293

Notes:

(1) All compensation for Mr. Morton, Mr. Gonzalez and Mr. Reznik would be paid in Canadian dollars. The amounts above were converted to U.S. dollars using the Bank of Canada's average Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

(2) Based on the vested options and the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51.

(3) Based on the vested RSU awards.

ESTIMATED BENEFITS AS AT DECEMBER 31, 2017 IN CONNECTION WITH (1) A TERMINATION WITHOUT CAUSE (INCLUDING CONSTRUCTIVE DISMISSAL) or (2) A TERMINATION WITHOUT CAUSE WITHIN 180 DAYS FOLLOWING A CHANGE OF CONTROL						
Name of Named Executive Officer	Salary (US\$)	Annual Incentive Bonus (US\$)	Benefits and Perquisites (US\$)	Options (US\$)⁽³⁾	RSUs (US\$)⁽⁴⁾	Total (US\$)
Tracy Rees	\$250,000	Nil	\$9,391	\$111,068	\$51,165	\$421,624
George Reznik ⁽¹⁾	\$177,100	Nil	\$1,888	\$44,209	\$29,071	\$252,268
Clifford Morton ⁽¹⁾	\$60,068	Nil	\$1,888	\$3,184	\$29,071	\$94,211
Victor Gonzalez ^{(1) (2)}	\$29,387	Nil	\$944	\$17,807	\$29,071	\$77,209
Mark Waldenberg ⁽¹⁾	\$65,000	Nil	\$8,728	\$53,442	\$29,071	\$156,241

Notes:

(1) All compensation for Mr. Reznik, Mr. Morton and Mr. Gonzalez would be paid in Canadian dollars. The amounts above were converted to U.S. dollars using the Bank of Canada's average Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

(2) Estimated severance payable to Mr. Gonzalez under Employment Standards Act.

(3) Represents the aggregate dollar amount of in-the-money unexercised options held as of December 31, 2017 based on the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51 converted into U.S. dollars based upon the average rate during 2017 of 0.7701.

(4) Represents the aggregate dollar amount of the RSUs held as of December 31, 2017 based on the closing price of CAD\$1.51 of the Common Shares on the Toronto Stock Exchange on December 31, 2017 and converted into U.S. dollars based upon the average rate during 2017 of 0.7701.

Director Compensation

The Corporation pays its non-employee directors for serving on the Corporation's Board. In making recommendations to the Board relating to director compensation, the Compensation and Corporate Governance Committee considered directors' compensation offered by similar companies, its directors' time commitments and the risks and responsibilities that the directors of the Corporation assume. In fiscal 2007, the Compensation and Corporate Governance Committee engaged an independent compensation consultant who recommended changes to the Corporation's director compensation in relation to Lead Independent Director Compensation, which changes were approved by the Board upon the recommendation of the Compensation Committee in respect in fiscal 2008. On April 15, 2013, George Duguay was appointed Chair of the Board.

In respect of fiscal 2017, the Board resolved that, in addition to reimbursement for ordinary and necessary out-of-pocket expenses incurred in fulfillment of their duties, each non-executive director should receive an annual retainer of \$10,000 CAD paid quarterly, a meeting fee of \$1,500 CAD for each Board meeting attended in person, \$750 CAD for telephonic attendance at each Board meeting, and a meeting fee of \$750 CAD for committee meetings. The non-executive Chair received a fee for acting in that capacity of \$30,000 CAD per year, the Chair of the Audit Committee received an additional \$1,500 CAD per quarter and the Chair of the Compensation and Corporate Governance Committee received an additional \$750 CAD per quarter. Each member of the Corporation's Executive Committee received an additional \$1,000 CAD per month during fiscal 2017. Further, each director was compensated for additional activities performed at the direction of the Chair of the Board or CEO at a rate equal to \$1,500 CAD per day.

The Corporation instituted a guideline on December 18, 2008, whereby all directors are expected to have purchased a minimum of \$10,000 CAD worth of the Common Shares within three (3) years thereafter, and within three (3) years following the appointment of new directors. This guideline is intended to encourage share ownership by Directors in the Corporation, thereby better aligning the interests of the Directors with those of the Shareholders.

The non-executive members of the Board have received and may receive incentive stock options in accordance with the policies of the Toronto Stock Exchange and the Option Plan. Currently, new non-executive directors receive 12,500 stock options upon their initial appointment that vest as to one-third (1/3) on the date of issue, one-third (1/3) on the first anniversary and one-third (1/3) on the second anniversary. Existing non-executive directors typically receive an additional 12,500 stock options per year or on a pro rata basis based on the period served in the preceding year, vesting as to one-twelfth (1/12) per month from the date of issue.

During fiscal 2017, the Corporation issued a total of 87,500 options to its directors.

DIRECTOR COMPENSATION TABLE FOR FINANCIAL YEAR ENDED DECEMBER 31, 2017

Name of Director	Fees Earned (US\$)	Share-based Awards (US\$) ⁽²⁾	Option-based Awards (US\$) ⁽³⁾	Non-equity incentive plan compensation	Pension value (US\$)	All other compensation (US\$)	Totals (US\$)
Michael W. Bird ⁽¹⁾	\$22,139	8,749	10,936	N/A	N/A	Nil	\$41,824
Thomas J. Bitove ⁽¹⁾	\$20,407	8,749	10,936	N/A	N/A	Nil	\$40,092
George A. Duguay ⁽¹⁾	\$44,086	8,749	10,936	N/A	N/A	Nil	\$63,771
Jeffrey MacDonald ⁽¹⁾	\$10,011	4,375	21,872	N/A	N/A	Nil	\$36,258
Daniel S. Marks ⁽¹⁾	\$26,760	8,749	10,936	N/A	N/A	Nil	\$46,445
Howard "Skip" Speaks	\$28,492	8,749	10,936	N/A	N/A	Nil	\$48,177

Notes:

(1) All compensation for Messrs. Bird, Bitove, Duguay, MacDonald and Marks was paid in Canadian dollars. The amounts above were converted to U.S. dollars using the average Bank of Canada's Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

(2) The value of the RSUs based awards was determined using the intrinsic valuation methodology.

(3) The value of the option based awards was determined using the Black Scholes valuation methodology.

Director Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets out information concerning all option and share based awards outstanding as of December 31, 2017 for each independent director. This includes awards granted before the end of the financial year ended December 31, 2017.

Director Option-based Awards					Director Share-based Awards		
Name of Director	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (CAD\$)	Number of Securities underlying RSUs (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michael W. Bird	12,500	\$0.52	August 15, 2018	\$12,375	10,000	\$15,100	Nil
	520	\$0.52	August 15, 2018	\$515			
	6,250	\$0.80	August 20, 2019	\$4,438			
	25,000	\$0.89	June 1, 2020	\$15,500			
	12,500	\$2.04	June 12, 2022	N/A			

Director Option-based Awards					Director Share-based Awards		
Name of Director	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CAD\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (CAD\$)	Number of Securities underlying RSUs (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Thomas J. Bitove	3,125	\$0.52	August 15, 2018	\$3,094	10,000	\$15,100	Nil
	6,250	\$0.80	May 20, 2019	\$4,438			
	25,000	\$0.89	June 1, 2020	\$15,500			
	12,500	\$2.04	June 12, 2022	N/A			
George A. Duguay	3,125	\$0.52	August 15, 2018	\$3,094	10,000	\$15,100	Nil
	6,250	\$0.80	May 20, 2019	\$4,438			
	25,000	\$0.89	June 1, 2020	\$15,500			
	12,500	\$2.04	June 12, 2022	N/A			
Jeffrey MacDonald	12,500	\$2.29	May 15, 2022	N/A	5,000	\$7,550	Nil
	12,500	\$2.04	June 13, 2022	N/A			
Daniel S. Marks	12,500	\$0.52	August 15, 2018	\$12,375	10,000	\$15,100	Nil
	520	\$0.52	August 15, 2018	\$515			
	6,250	\$0.80	August 20, 2019	\$4,438			
	25,000	\$0.89	June 1, 2020	\$15,500			
	12,500	\$2.04	June 12, 2022	N/A			
Howard "Skip" Speaks	3,125	\$0.52	August 15, 2018	\$3,094	10,000	\$15,100	Nil
	6,250	\$0.80	May 20, 2019	\$4,438			
	25,000	\$0.89	June 1, 2020	\$15,500			
	12,500	\$2.04	June 12, 2022	N/A			

Notes:

(1) Based on the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51.

(2) Based on the closing market price of the Common Shares on the Toronto Stock Exchange on December 31, 2017 of CAD\$1.51.

Value Vested or Earned During the Year

The following table sets out, for each independent director, information concerning the value of incentive plan awards, namely option-based awards as well as non-equity incentive plan compensation, vested or earned during the financial year ended December 31, 2017.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING FINANCIAL YEAR ENDED DECEMBER 31, 2017			
Name of Director	Option-based Awards – Value vested during the year (US\$) ⁽¹⁾	Share-based Awards – Value vested during the year (US\$) ⁽²⁾	Non-equity Incentive Plan Compensation – Value earned during the year (US\$)
Michael W. Bird	\$Nil	\$Nil	\$Nil
Thomas J. Bitove	\$Nil	\$Nil	\$Nil
George A. Duguay	\$Nil	\$Nil	\$Nil
Daniel S. Marks	\$Nil	\$Nil	\$Nil
Howard “Skip” Speaks	\$Nil	\$Nil	\$Nil
Jeffrey MacDonald	\$Nil	\$Nil	\$Nil

Notes:

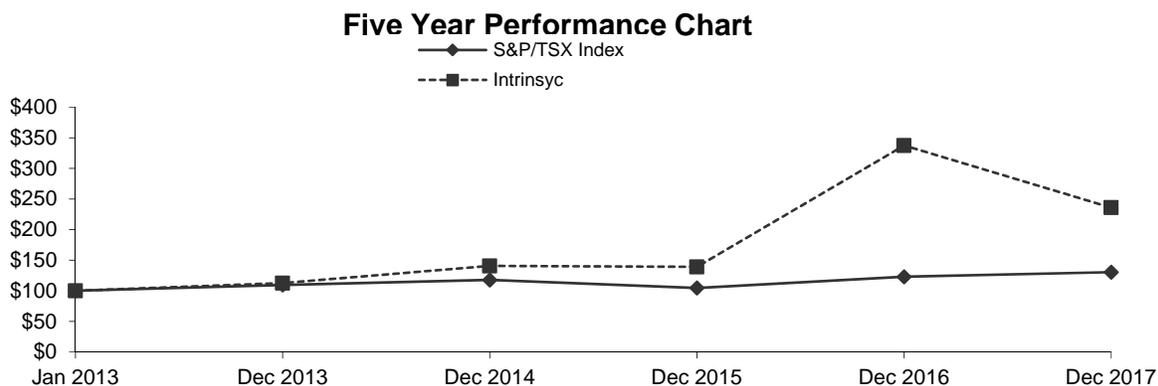
(1) All option-based awards were calculated in Canadian dollars. The amounts above were converted to U.S. dollars using the average Bank of Canada’s Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

(2) All share-based awards (RSUs) were calculated in Canadian dollars. The amounts above were converted to U.S. dollars using the average Bank of Canada’s Canadian to U.S. dollar exchange rate for 2017 of \$0.7701.

Performance Graph

The Common Shares currently trade on the Toronto Stock Exchange under the symbol “ITC”.

The following chart compares the total cumulative shareholder return for CDN\$100 invested in Common Shares on January 1, 2013 with the cumulative total return of the S&P/TSX Composite Index for the period from December January 1, 2013 to December 31, 2017. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



	1 Jan. '13	31 Dec. '13	31 Dec. '14	31 Dec. '15	31 Dec. '16	31 Dec. '17
Intrinsic's Common Shares	\$100.00	\$112.50	\$140.63	\$139.06	\$337.50	\$235.94
S&P/TSX Composite Index	\$100.00	\$109.55	\$117.69	\$104.64	\$122.95	\$130.37

The NEOs are compensated in large part based on their achievement of corporate performance objectives, as opposed to on the basis of stock price performance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee of the Corporation or any proposed management nominee for election as director, or any associate of such director, executive officer or proposed nominee, has been indebted to the Corporation at any time during the financial year ended December 31, 2017.

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

No director, proposed management nominee for election as director, executive officer or principal shareholder of the Corporation, or any associate or affiliate of such person, has any material interest, direct or indirect, in any material transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation at any time since the beginning of the last financial year of the Corporation, or any proposed management nominee for election as director, or any associate or affiliate thereto, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by the Corporation's directors and executive officers and the Corporation has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Corporation.

AUDIT COMMITTEE

The information regarding the Audit Committee required to be disclosed by Multilateral Instrument 52-110 – Audit Committees is detailed in the Corporation's 2017 Annual Information Form filed and available on SEDAR.

CORPORATE GOVERNANCE

The Board and executive officers of the Corporation consider good corporate governance to be central to the effective operation of the Corporation. As part of the Corporation's commitment to effective corporate governance, the Board, with the assistance of the Compensation and Corporate Governance Committee, monitors changes in legal requirements and best practices.

The Board and the Corporation annually reviews the Corporation's system of corporate governance including its Corporate Governance Manual (the "**Manual**") to ensure its practices meet or exceed applicable legal and stock exchange requirements.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires the Corporation to disclose certain corporate governance information as is set out in Form 58-101F1 Corporate Governance Disclosure, which came into effect on June 30, 2005. A description of the Corporation's approach to corporate governance, in response to the Form 58-101F1 Corporate Governance Disclosure, is set out in Schedule "A" to this Circular.

OTHER MATTERS

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the

intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

DEADLINE FOR SHAREHOLDER PROPOSALS

If any person entitled to vote at an annual meeting of the Corporation's shareholders wishes to propose any matter for consideration at the next annual meeting, in order for such proposal to be considered for inclusion in the materials mailed to shareholders in respect of such meeting, such proposal must be received by the Corporation no later than 90 days before the anniversary date of the Meeting.

ADVANCE NOTICE REQUIREMENT FOR DIRECTOR NOMINATIONS

The Corporation's By-Law One contains an advance notice requirement in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the CBCA; or (b) a shareholder proposal made pursuant to the provisions of the CBCA (the "**Advance Notice Requirement**"). In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. In addition, the Advance Notice Requirement sets forth the information that a Shareholder must include in the notice for it to be valid, including, among other things, identification and shareholding information about the nominee, as well as any proxy, contract, arrangement, understanding or relationship pursuant to which the nominating Shareholder has a right to vote any shares of the Corporation. The Corporation's By-Law One is available on the SEDAR website at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Shareholders may contact the Corporation at #380 – 885 Dunsmuir Street, Vancouver, British Columbia, V6C 1N5, Attention: Corporate Secretary, to request copies of the Corporation's financial statements and Management's Discussion and Analysis for the financial year 2017. Information about the Corporation can also be found on its web site at www.intrinsyc.com. Financial information is provided in the Corporation's comparative consolidated financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2017.

BOARD APPROVAL AND STATEMENT OF DIRECTORS

This Circular contains information as at April 11, 2018, except where another date is specified. The contents of this Circular have been approved and its mailing to each Shareholder of the Corporation entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Tracy Rees". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Tracy Rees
Chief Executive Officer and President
Intrinsyc Technologies Corporation

**SCHEDULE “A”
CORPORATE GOVERNANCE DISCLOSURE**

1. Board

National Policy 58-201 – Corporate Governance Guidelines recommends that boards of directors of reporting issuers be composed of a majority of independent directors. With six of the current directors considered independent, the Board is currently composed of a majority of independent directors. The six independent directors are: Thomas Bitove, George Duguay, Howard “Skip” Speaks, Daniel S. Marks, Jeffrey MacDonald and Michael W. Bird. The Corporation has determined that none of these individuals has a material relationship to the Corporation. Tracy Rees is a non-independent director, as he is the Chief Executive Officer and President of the Corporation.

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. The directors may hold regularly scheduled meetings at least four times per year at which non-independent directors are not in attendance. Alternatively, the independent directors may meet during a portion of regularly scheduled Board meetings, provided that time is specifically scheduled and devoted to meeting without non-independent directors. From January 1, 2017 to December 31, 2017, twelve (12) meetings of the independent directors were held, inclusive of regularly scheduled Board meetings. The independent directors meet on a regular basis and have an in camera session without any employees or non-independent directors as part of the Corporation’s regular quarterly Board meetings. In addition, the Chair maintains an open dialogue with all independent directors to provide an appropriate forum for any potential issues which may arise to be addressed accordingly by the Board.

The Corporation has appointed Mr. George Duguay as Chair and Lead Independent Director. As Lead Independent Director, Mr. Duguay’s role is to oversee and ensure the independence of and separation between management and the Board. Mr. Duguay’s roles and responsibilities include: (i) approving information submitted by management to the Board; (ii) approving the agenda for Board meetings; (iii) leading meetings of the independent directors and the Board; (iv) serving as a liaison between the independent directors and the Chief Executive Officer; (v) being able to call, with due notice, a meeting of the Board and/or an executive session of the Board consisting exclusively of independent directors; (vi) assisting the independent directors with fulfilling their governance responsibilities and to oversee the governance obligations of the Board and its committees generally; and (vii) overseeing the quality of the information sent to directors and reviewing any comments or requests made by an independent director.

The Corporation and the Board recognize the significant commitment involved in being a member of the Board. Accordingly, the Corporation’s Governance Manual requires directors to report to the Chair of the Compensation and Corporate Governance Committee all other directorships held and any other interest in or relationship with outside entities that could result in potential conflicts of interest.

The following table sets forth the number of meetings and director attendance at such meetings of the Board and its committees from January 1, 2017 to December 31, 2017:

Director	Board Meetings	Audit Committee	Compensation and Corporate Governance Committee	Executive Committee
Michael W. Bird	12/12	2/2 ⁽¹⁾	2/2 ⁽²⁾	N/A
Thomas J. Bitove	12/12	N/A	3/3	N/A
George A. Duguay	12/12	4/4	3/3	N/A
Jeffrey MacDonald	6/6 ⁽³⁾	N/A	1/1 ⁽²⁾	N/A

Director	Board Meetings	Audit Committee	Compensation and Corporate Governance Committee	Executive Committee
Daniel S. Marks	11/12	2/2 ⁽¹⁾	N/A	See below ⁽⁵⁾
Tracy Rees	4/4 ⁽⁴⁾	N/A	N/A	N/A
Howard "Skip" Speaks	12/12	4/4	N/A	See below ⁽⁵⁾

Notes:

(1) Mr. Michael Bird replaced Mr. Daniel Marks as Audit Committee Chair on May 16, 2017.

(2) Mr. Jeffrey MacDonald replaced Mr. Michael Bird on the Compensation and Corporate Governance Committee on May 16, 2017.

(3) Mr. Jeffrey MacDonald was appointed to as a director of the Corporation on May 16, 2017.

(4) Mr. Tracy Rees was appointed to as a director of the Corporation on June 13, 2017.

(5) Mr. Daniel Marks is the Chairman of the Corporation's Executive Committee established on May 12, 2015. Mr. Howard "Skip" Speaks is a member of the Executive Committee. The Executive Committee met as required on an informal basis during 2017.

2. Board Mandate

The Board is responsible for the overall stewardship of the Corporation. The Board discharges this responsibility directly and through the delegation of specific responsibilities to committees of the Board.

The Mandate of the Board, which is attached hereto as Appendix "A", falls into the following seven categories: selection of management, strategic planning, risk identification, communications, succession planning, internal controls and corporate governance, all as more particularly described in Section B of the Mandate.

3. Position Descriptions

The Board has developed position descriptions for the Chair, the Lead Independent Director and the Chair of each committee of the Board. The Board has also approved a position description for the Chief Executive Officer.

4. Orientation and Continuing Education

Responsibility for orientation and education programs for new directors is assigned to the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee ensures that all new directors receive a comprehensive orientation so that each new director fully understands the role of the Board and its committees, as well as the contribution individual directors are expected to make. The Board has adopted a policy for orientation of new directors.

The Chair meets with each independent director on a periodic basis and at least quarterly to provide a confidential forum for feedback regarding the Corporation and its Board. The Chair will meet with new directors upon their appointment to provide them with guidance and support regarding their new role.

All directors, including new directors, are provided the opportunity to ask questions regarding the role of the Board, its committees and its directors, and about the nature of the Corporation and its operations. Such questions may be asked directly to the Chair or in an in camera session with all independent directors which are held periodically and on a minimum quarterly basis.

New directors are provided with copies of the Corporation's key documents, including the Corporation's Corporate Governance Manual, code of business conduct and ethics, insider trading and continuous disclosure policies, and Board and committee mandates and charters.

The Chair provides all new directors with an orientation session to familiarize new directors with the Corporation, its business, industry, senior management team and the contribution individual directors are expected to make.

New directors are informed of the legal duties and obligations required of a director of a publicly-held entity.

All directors, including new directors, are provided with up-to-date information on the Corporation's corporate organization, operations and strategy, its current year business plan and financial information.

The Corporation hosts periodic meetings of its Board at its corporate headquarters and main facilities and encourages site visits by its directors to review its operations.

The Compensation and Corporate Governance Committee is also responsible for arranging continuing education for directors in order to ensure that directors maintain and enhance the skill and knowledge necessary to meet their obligations as directors, as well as to ensure knowledge and understanding of the Corporation's business remains current. The Board has adopted a policy for continuing education for directors.

The Corporation has a continuing education program for its directors. The program was developed to help directors maintain or enhance their skills and abilities, and update their knowledge and understanding of the Corporation and its industry. Directors are briefed regularly (and at least on a quarterly basis) on strategic issues affecting the Corporation, and these briefings include reviews of the competitive environment, the Corporation's performance relative to its peers, and any other developments that could materially affect the Corporation's business. The briefings are conducted by the CEO, CFO and other members of the executive management team, as well as external advisors to the Corporation.

Directors also participate in external education seminars at the Corporation's expense that are relevant to their role on the Board.

5. Ethical Business Conduct

The Board has created a Code of Business Conduct (the "**Code**") for the Corporation's directors, officers and employees. Directors, officers and employees are expected to act with honesty and integrity in all interactions with customers, suppliers, competitors, employees and others. A copy of the Code may be obtained by contacting the Corporation at the address given under "Additional Information" in this Circular.

The Audit Committee is responsible for reviewing the Code as well as programs that management has established to monitor compliance with the Code. In addition, the Compensation and Corporate Governance Committee is responsible for ensuring that standards of ethical conduct are developed and maintained.

The Board and the Audit Committee have also established a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding matters covered by the Code (including but not limited to accounting, internal controls or auditing matters) on a confidential basis free from discrimination, retaliation or harassment. The Chair is an independent director and is available to any party who may want to report any issues.

The officers of the Corporation provide the Board with a certification on a quarterly basis regarding illegal acts, liabilities and other potential issues which may impact the Corporation. Management also performs a review of the Corporation's internal controls, which is reported to the Audit Committee.

The Corporation requires its directors, officers and employees on a periodic basis to complete an acknowledgement whereby they confirm they have read the Code and agree to follow its terms and fully and in compliance with such Code and corporate policies.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are reviewed and approved by the Audit Committee.

6. Nomination of Directors

The Compensation and Corporate Governance Committee is currently comprised of Thomas Bitove (Chair), George Duguay and Jeffrey MacDonald, all of whom are independent.

The Compensation and Corporate Governance Committee is responsible for, among other things:

- (a) developing and recommending to the Board a set of corporate governance principles applicable to the Corporation;
- (b) identifying individuals qualified to become new members of the Board and recommending to the Board new director nominees from time to time; and
- (c) assisting the Chair in overseeing the process of evaluation of the Board, its committees and individual directors.

As described in its charter, the Compensation and Corporate Governance Committee is responsible for, among other things, identifying and evaluating candidates for the Board.

The Chair of the Compensation and Corporate Governance Committee leads the candidate selection process with this committee whose mandate is to identify and recruit potential directors with the appropriate industry and other relevant experience to complement the composition of the Corporation's Board. The Compensation and Corporate Governance Committee reports and is accountable to the Corporation's Board. The Compensation and Corporate Governance Committee leads an annual assessment and evaluation process of the Board to identify any potential gaps in the Board's composition or expertise. The Compensation and Corporate Governance Committee is responsible for the nomination process and invites suggestions for potential candidates from other directors, management, shareholders and external sources.

The Corporation's CEO also participates in the nomination process as an observer to the Compensation and Corporate Governance Committee to provide relevant input in the selection of director candidates.

The Compensation and Corporate Governance Committee reviews the appropriate size of the Board with a view to facilitating effective decision making and appropriate composition of relevant skillsets and experience. The Compensation and Corporate Governance Committee considers diversity of experience, background and views when considering a candidate for appointment or election to the Board. Further, the Compensation and Corporate Governance Committee considers the following criteria when considering a candidate for appointment or election to the Board:

- the specific skill set and experience required on the Board at a given time taking into account the skill sets of the other directors;
- the ability of the candidate to bring an objective appraisal of management's plans;
- potential conflicts that could arise;
- personal characteristics and other considerations;
- the integrity of the candidate; and
- the ability of the candidate to devote sufficient time and resources to his or her duties as a member of the Board.

7. Compensation

When determining compensation policies and individual compensation levels, the Compensation and Corporate Governance Committee, which consists entirely of independent directors, takes into consideration a variety of factors. These factors include: (i) overall financial and operating performance of the Corporation; and (ii) the Compensation and Corporate Governance Committee's and the Board's overall

assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility, and length of service.

The Corporation's Board performs periodic reviews of the compensation structure for the directors based on compensation to directors paid by other comparable companies. The Board also reviews the compensation of the Corporation's management on a periodic basis which factors in relevant comparable market information.

The Compensation and Corporate Governance Committee is responsible for:

- (a) reviewing and approving the corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or make recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;
- (b) making recommendations to the Board with respect to non-CEO officer extraordinary bonuses, director compensation, incentive compensation plans and equity-based plans; and
- (c) reviewing executive compensation disclosure before the Corporation publicly discloses this information.

8. Other Board Committees

The Corporation's Board has no committees other than the Compensation and Corporate Governance Committee, the Audit Committee and the Executive Committee.

The Executive Committee was established on May 12, 2015 by the Board to assist the management team with an effort to rapidly accelerate the Corporation's revenue growth. In order to accomplish this mandate, the Executive Committee independently and objectively addressed the following areas: (i) the organic sales, marketing and business development capabilities of the Corporation; (ii) expansion of the Corporation's technology and product strategies; and (iii) identification of strategic initiatives and alternatives, including but not limited to acquisitions, divestitures, joint ventures, strategic alliances and capital raising opportunities. In addition, the Executive Committee will also address operational matters related to these areas where necessary. In particular, this includes, at a minimum, an assessment of management and board compensation structure and optimal deployment of the resources of the Corporation.

9. Assessments

The Board has adopted a Board review process which: (a) provides directors with an opportunity once each year to evaluate the Board's and each Committee's performance and to make suggestions for its improvement; (b) provides an opportunity for the Board to comment on the Chair's and the Lead Independent Director's leadership; and (c) provides an opportunity for the Lead Independent Director to evaluate each director's individual performance and to make suggestions for improvement. The review process relates directly to the description of the roles and responsibilities of the Board, each of its committees, the Chair and each individual director.

As part of the above assessment process of the Board, each director is required to perform an annual comprehensive questionnaire and assessment of the Board regarding its performance, effectiveness, composition and other factors. This individual assessment is reported to the Chair of the Compensation and Corporate Governance Committee in a confidential manner who subsequently reports to the Board regarding any key findings and areas to be addressed, if identified.

The Board annually reviews and assesses the performance of the CEO. The Board performs an annual performance assessment of the Corporation's CEO which factors in the Corporation's performance relative to its plans and the impact of industry and general economic factors. This annual review and assessment is communicated by the Chair to the CEO accordingly.

10. Director Term Limits and Other Mechanisms of Board Renewal

The Corporation has not adopted term limits for directors of the Corporation because the Board believes the imposition of arbitrary term limits may result in an effective director of the Corporation being disqualified, and discounts the value of experience and continuity. The Compensation and Corporate Governance Committee, as noted in Item 9 above under the heading "Assessments", is responsible for assessing the effectiveness of the Board and board renewal is one of the factors the Compensation and Corporate Governance Committee utilizes in its evaluation.

11. Board and Senior Management Diversity

The Corporation has not adopted a written policy relating to the identification and nomination of women directors. The Board is committed to selecting highly qualified individuals to fulfill senior management roles and directorships on the Board. In doing so, the Board considers the qualities and experiences of candidates, including their educational background, business experience, expertise and integrity, in the selection and recruitment of its executive officers and directors. The Compensation and Corporate Governance Committee looks for the most qualified candidates based on the skill sets the Corporation possesses and its needs and it does not discriminate based on gender, age, ethnicity or cultural background. The Board has not adopted a target regarding women in senior management roles or as directors but does consider the level of representation of women when making such appointments having regard to the selection criteria noted above. While women have in the past occupied executive officer and Board positions within the Corporation, presently there are no women that are executive officers or on the Board.

APPENDIX A
OBLIGATIONS, DUTIES AND ROLES OF THE BOARD OF
INTRINSYC TECHNOLOGIES CORPORATION

A. OBLIGATIONS

1. The Board (the “**Board**”) shall assume the responsibility for the stewardship of the Corporation and shall:
 - (a) supervise the management of the business and affairs of the Corporation; and
 - (b) act in accordance with the Corporation’s obligations contained in the Canada Business Corporations Act (the “**CBCA**”), the Securities Act of each province and territory of Canada and the various related rules, policies and instruments, the Toronto Stock Exchange’s governance guidelines, other applicable laws and the Corporation’s Articles and By-Laws (collectively, “**Applicable Laws**”).
2. The Board may delegate any matter to a committee of directors in compliance with Applicable Laws.

B. BOARD MANDATE

Introduction

In meeting its obligations, the Board shall act as a whole or as permitted by Applicable Laws through a committee of the Board. The Board’s mandate falls into the following seven categories:

1. Selection of Management

The Board has the responsibility for:

- (a) appointing, monitoring and reviewing the performance of, approving the remuneration for, providing counsel and advice to and replacing the CEO;
- (b) approving the appointment of all executive officers, taking into account the advice of the CEO; and
- (c) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

2. Strategic Planning

The Board has the responsibility for:

- (a) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan that takes into account, among other things, the opportunities and risks of the Corporation’s business;
- (b) monitoring the Corporation’s progress towards its goals, and to revise and alter its direction in light of changing circumstances; and
- (c) taking action when the Corporation’s performance falls short of its goals or in other special circumstances (for example, mergers and acquisitions or changes in control).

3. Risk Identification

The Board has the responsibility for identifying principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage those risks.

4. Communications

The Board has the responsibility for:

- (a) ensuring that the financial results of the Corporation are reported fairly and in accordance with Applicable Laws;
- (b) ensuring the timely reporting of material information in compliance with Applicable Laws; and
- (c) adopting a communications policy to ensure that communications to the public regarding the Corporation are timely, factual, accurate and broadly disseminated in accordance with Applicable Laws.

5. Succession Planning

The Board has the responsibility for:

- (a) planning for the succession of senior management, including appointing, training and monitoring; and
- (b) planning for the succession of the directors.

6. Internal Controls

The Board has the responsibility for ensuring that internal control and information management systems are implemented and maintained.

7. Corporate Governance

The Board has the responsibility for:

- (a) developing the Corporation's approach to corporate governance, including reviewing and amending as appropriate the Governance Manual;
- (b) monitoring compliance with the corporate governance guidelines established in the Governance Manual; and
- (c) confirming that the Corporation operates at all times in compliance with Applicable Laws and in accordance with high ethical and moral standards established by the Board from time to time.

C. CONSTITUTION AND ROLE OF THE BOARD

1. Board Composition

(a) Constitution of the Board

The Board shall be constituted with a majority of individuals who qualify as independent directors (as defined below).

If the Corporation has a significant shareholder, the Board shall include, at a minimum, a proportion of independent directors that fairly represents the investment in the Corporation by shareholders other than the significant shareholder. For these purposes, "significant

shareholder” has the meaning set out for “significant security holder” in National Instrument 58-101.

(b) Board Membership

The Board is responsible for selecting nominees for appointment or election to the Board. On an annual basis in advance of the Corporation’s making nominations for election of directors at the Corporation’s annual shareholders meetings, the Board shall: (i) consider what competencies and skills the Board, as a whole, should possess; and (ii) assess what competencies and skills each existing director possesses. The Board delegates the nomination process to the Compensation and Corporate Governance Committee with the input from the Lead Independent Director (if any) and the CEO but the Board reserves for itself the responsibility for selecting the final nominees.

(c) Board Size

Under Applicable Laws, the Board shall consist of not less than three directors and the number of directors may be fixed or changed from time to time by the Corporation’s shareholders by an ordinary resolution. The Board will annually consider its size and will increase or decrease the number of directors to facilitate more effective leadership and decision-making. The Board delegates such annual consideration to the Compensation and Corporate Governance Committee but the Board reserves for itself the responsibility for recommending to shareholders the size of the Board.

(d) Independent Directors

A director is considered “independent” for the purposes of its Governance Manual if such director meets the meaning of independence set forth under paragraph (A) under the heading “Audit Committee Independent Directors”.

Under Applicable Laws, an “inside” director is a director who is an officer or employee of the Corporation or of any of its affiliates. The Corporation’s only inside directors shall be the CEO and the President. An “outside” director is a director who is not a member of management. Under Applicable Laws, an “unrelated” director is a director who is independent of management and is free from any business or other relationship, other than interests and relationships arising from shareholding, which could, or could be perceived to, materially interfere with the director’s ability to act in the Corporation’s best interest.

If a shareholder is in a position to control or influence control of the Corporation, that person is a “significant” shareholder. For purposes of assessing “relatedness”, a director who is a significant shareholder, or is a director with interests in or relationships with the significant shareholder is not considered a related director under Applicable Laws.

(e) Audit Committee Independent Directors

Under Applicable Laws, a director shall be considered independent for the purposes of the Audit Committee if he or she meets the following requirements:

(A) Meaning of Independence

- (1) An Audit Committee member is independent if he or she has no direct or indirect material relationship with the Corporation.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.

- (3) Despite subsection (2), the following individuals are considered to have a material relationship with the Corporation:
- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
 - (c) an individual who:
 - (i) is a partner of a firm that is the Corporation's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Corporation's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the Corporation solely because: (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior

service with that firm if the compensation is not contingent in any way on continued service.

- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the Corporation, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member:
 - (a) has previously acted as an interim chief executive officer of the Corporation, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the Corporation on a part-time basis.
- (8) For the purpose of section (A), the Corporation includes a subsidiary entity of the Corporation and a parent of the Corporation.

(B) Additional Independence Requirements

- (1) Despite any determination made under section (A), an individual who:
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in

each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

“Prescribed period” means the period prescribed by law and currently under the Multilateral Instrument 52-110 – Audit Committees it is the shorter of: (i) the period commencing on March 30, 2004 and ending immediately prior to the determination of independence; and (ii) the three year period ending immediately prior to the determination of independence.

2. Resignation or Withdrawal - Directors Who Change their Employment Responsibility

Any director who changes the responsibility he or she held when elected or appointed to the Board should offer to resign from the Board. This will provide an opportunity for the Board to review and consider the continued appropriateness of that person’s Board membership under the changed circumstances. In carrying out this function, the Board shall consider the advice and input of the Compensation and Corporate Governance Committee.

3. Relationship with Management

The Board functions independently of management. The role of the Chair is to effectively provide leadership to the Board while the role of the CEO is to provide the day-to-day leadership and management of the Corporation. The role of the Lead Independent Director is to oversee and ensure the independence, and separation from management, of the Board.

4. Strategic Plan

As noted in the Board’s mandate, the Board is ultimately responsible for adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation’s business. However, the initiative for developing and modifying the strategic plan and strategies to achieve these goals and objectives must come from the CEO and management. The Board may assist in the development of the strategies, act as a resource and contribute ideas but the CEO and management will lead this process.

5. Performance Evaluation

(a) CEO Evaluation

One of the most important aspects of effective governance is the relationship between the CEO and the Board. It is crucial that the Board is fully informed and that the CEO has a forum for drawing on the wisdom and experience that exists within the Board. While it is expected that full and frank dialogue will exist between the CEO and the Board, a CEO review process occurs at least once a year to ensure that this communication takes place. This allows for a full and healthy dialogue between the Board and the CEO regarding corporate and individual performance.

(b) Board, Committees and Individual Directors Evaluation

The Board is committed to evaluating its own performance and the performance of its Committees and individual directors on an annual basis. The review process is also an opportunity to provide input to each of the Chair of the Board, the Lead Independent Director (if any) and the Chair of each Committee on his or her performance.

6. Meetings

(a) Number of Meetings

The Board will meet on a scheduled basis four times per year and more frequently if required.

(b) Agenda

The Chair, with the assistance of the Lead Independent Director (if any) and the CEO, will be responsible for establishing the agenda for Board meetings. The Chair shall solicit from the members of the Board recommendations as to matters to be brought before the Board and shall ensure that such matters receive a fair hearing. A significant portion of each regularly scheduled Board meeting will be spent examining future plans and strategies and for this purpose, "future plans and strategies" is intended to be broader than strategic planning and includes without limitation future financial performance, future business operations and corporate development opportunities.

(c) Guests at Board Meetings

Guests may be invited by the Board and CEO to make presentations to the Board. Should the CEO wish to invite other people as attendees on a regular basis, the CEO should first seek the concurrence of the Board.

(d) Access to Senior Management

The Board encourages the CEO to bring into Board meetings employees who can provide additional insight into the items being discussed and/or who have potential in terms of management succession and should be given exposure to the Board.

(e) Board Information - Regularly Scheduled Meetings

Not less than five business days prior to each regularly scheduled Board meeting, the Board receives the following information from the Chair and management: (i) an Agenda; (ii) a memo from the CEO outlining major accomplishments and issues; (iii) a summary of each agenda item that requires a thorough debate of various courses of action and concluding with management's recommendations and summary of the risks, provided that if any matter is too sensitive to put on paper, the matter and any presentations with respect thereto will be discussed at the meeting.

(f) Board Information - Non-Regularly Scheduled Meetings

Not less than two days prior to each non-regularly scheduled Board meeting, the Board shall receive from the Chair and management the following: (i) an Agenda; (ii) a summary of each agenda item that requires a thorough debate of various courses of action and concluding with management's recommendations and summary of the risks, provided that if any matter is too sensitive to put on paper, the matter and any presentations with respect thereto will be discussed at the meeting. Notwithstanding the foregoing, the Board understands that in extraordinary circumstances the required delivery may be impractical, in which case the directors shall receive such materials sufficiently in advance of the meeting to enable the directors to fully and properly consider such materials.

7. Board Committees

The Board shall adopt for each Board committee a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees) and manner of reporting to the Board.

Subject to Applicable Laws and any resolution of the Board, a committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Where neither the Board nor the committee has determined the rules or procedures to be followed by the committee, the rules and procedures set out in Sections 4 and 5.02 of the Corporation's By-Law No. 1, shall apply with necessary modifications.

The following shall apply to each Board committee:

(a) Committee Membership

Committee members are appointed by the Board on the recommendation of the Compensation and Corporate Governance Committee in consultation with the Chair and the Lead Independent Director (if any) and with consideration of the desires of individual Board members.

Consideration will be given to rotating committee members periodically.

Committee Chairmen are selected by the Board on the recommendation of the Compensation and Corporate Governance Committee.

(b) Meeting Attendance

A director who is not a member of a committee may attend meetings of such committee with the consent of the Chair of the committee. A director who is not a member of a committee may not vote and may not be counted for the purposes of the quorum.

(c) Committee Meetings and Agendas

The committee Chair, after consultation with committee members to the extent practicable, will determine the location, frequency and length of the meetings of the committee, provided that the Audit Committee shall meet at least four times per year. All other committees shall meet at least annually. The Chair of the committee, in consultation with the CEO or the appropriate senior manager, will develop the committee's agenda.

(d) Committee Responsibilities

Committees shall analyze, consistent with their Charter, strategies and policies that are developed by management. Committees may make recommendations to the Board but, unless specifically mandated to do so, do not take action or make decisions on behalf of the Board.

A committee may, from time to time, request assistance of external advisors who the committee requires to research, investigate and report on matters within a committee's term of reference.

(e) Reporting

Each committee has a duty to report to the Board all matters that it considers to be important for Board consideration. All committee's minutes should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.

8. Director Compensation

The Board shall establish the compensation of directors, after taking into account the recommendation of the Compensation and Corporate Governance Committee. The compensation should be generally in line with that paid by public companies of a similar size and type.

The Board encourages Board members to own shares in the belief that share ownership facilitates the directors' identification with the interests of the shareholders.

The Corporation shall maintain directors' and officers' liability insurance.

9. Corporate Standards of Conduct

The Board has the responsibility for ensuring that standards of conduct are established and monitored for compliance.

10. Access to Outside Advisors

Individual directors or a group of directors may engage an outside advisor at the expense of the Corporation in appropriate circumstances. The engagement of the outside advisor should be coordinated through the Chair or the Lead Independent Director (if any) and be subject to Board approval.

11. Meetings of Independent Directors

The independent directors shall hold regularly scheduled meetings at least four times per year at which members of management and non-independent directors are not in attendance. In lieu of such meetings, the independent directors may meet during a portion of regularly scheduled Board meetings, provided that time is specifically scheduled and devoted to meeting without members of management.

12. Orientation and Continuing Education of Directors

The Board shall develop and provide an orientation and education program for new directors and shall provide continuing education opportunities for all directors. The Board delegates the orientation and continuing education process to the Compensation and Corporate Governance Committee.

SCHEDULE "B"

SHAREHOLDER RIGHTS PLAN

SHAREHOLDER RIGHTS PLAN AGREEMENT

BETWEEN

INTRINSYC TECHNOLOGIES CORPORATION

AND

TSX TRUST COMPANY

AS RIGHTS AGENT

DATED AS OF MAY 15, 2018

TABLE OF CONTENTS

Page

ARTICLE 1 CERTAIN DEFINITIONS

1.1	Certain Definitions.....	2
1.2	Currency.....	12
1.3	Acting Jointly or in Concert	12
1.4	Control.....	12
1.5	Holder of Rights	12
1.6	References to this Agreement	13

ARTICLE 2 THE RIGHTS

2.1	Legend on Common Share Certificates.....	13
2.2	Initial Exercise Price; Exercise of Rights; Detachment of Rights.....	13
2.3	Adjustments to Exercise Price; Number of Rights	15
2.4	Date on Which Exercise is Effective	18
2.5	Execution, Authentication, Delivery and Dating of Rights Certificates	18
2.6	Registration, Registration of Transfer and Exchange	19
2.7	Mutilated, Destroyed, Lost and Stolen Rights Certificates.....	19
2.8	Persons Deemed Owners	20
2.9	Delivery and Cancellation of Certificates	20
2.10	Agreement of Rights Holders.....	20
2.11	Fiduciary Duties of the Directors.....	21

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1	Flip-in Event	21
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ARTICLE 4 THE RIGHTS AGENT

4.1	General	22
4.2	Merger, Amalgamation or Consolidation or Change of Name of Rights Agent	23
4.3	Duties of Rights Agent	23
4.4	Change of Rights Agent.....	25
4.5	Compliance with Money Laundering Legislation	25
4.6	Privacy Provision.....	25

ARTICLE 5 MISCELLANEOUS

5.1	Redemption and Termination.....	26
5.2	Expiration	27
5.3	Issuance of New Rights Certificates	28
5.4	Supplements and Amendments	28
5.5	Fractional Rights and Fractional Shares.....	29
5.6	Rights of Action	29
5.7	Holder of Rights Not Deemed a Shareholder	30
5.8	Notice of Proposed Actions.....	30
5.9	Notices	30
5.10	Costs of Enforcement.....	31
5.11	Successors.....	31

TABLE OF CONTENTS

(continued)

	Page
5.12 Benefits of this Agreement.....	31
5.13 Descriptive Headings.....	31
5.14 Governing Law.....	31
5.15 Language.....	32
5.16 Counterparts.....	32
5.17 Severability.....	32
5.18 Effective Date.....	32
5.19 Shareholder Review.....	32
5.20 Regulatory Approvals.....	32
5.21 Reconfirmation.....	32
5.22 Declaration as to Non-Canadian and Non-U.S. Holders.....	33
5.23 Determinations and Actions by the Board of Directors.....	34
 Exhibit A Form of Rights Certificate	

SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS SHAREHOLDER RIGHTS PLAN AGREEMENT made as of May 15, 2018.

BETWEEN:

INTRINSYC TECHNOLOGIES CORPORATION, a body corporate organized under the laws of Canada (the "**Corporation**")

OF THE FIRST PART

- and -

TSX TRUST COMPANY, a body corporate organized under the laws of Canada (the "**Rights Agent**")

OF THE SECOND PART

WHEREAS the board of directors of the Corporation (the "**Board of Directors**") has determined that it is advisable to implement this shareholder rights plan (the "**Rights Plan**") to take effect immediately upon receipt of approval of the Independent Shareholders, to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over offer or bid for the common shares of the Corporation and to ensure that the Board of Directors is provided with a sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value;

AND WHEREAS in order to implement the Rights Plan, the Board of Directors of the Corporation has:

- (a) authorized the issuance of one right (a "**Right**") in respect of each Common Share as hereinafter defined) outstanding at the close of business on May 15, 2018 (the "**Record Time**"), such distribution having been made to shareholders of record at the Record Time; and
- (b) authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined);

AND WHEREAS each Right entitles the holder thereof after the Separation Time to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to confirm the appointment of the Rights Agent to act on behalf of the Corporation, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“Acquiring Person”** shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation; provided, however, that the term “Acquiring Person” shall not include:
 - (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation as a result of any one or a combination of:
 - (A) an acquisition or redemption by the Corporation of Common Shares of the Corporation which, by reducing the number of Common Shares outstanding, increases the proportionate number of Common Shares Beneficially Owned by such Person to 20% or more of the Common Shares of the Corporation then outstanding;
 - (B) share acquisitions made pursuant to a Permitted Bid (**“Permitted Bid Acquisitions”**);
 - (C) share acquisitions (1) in respect of which the Board of Directors of the Corporation has waived the application of Section 3.1 pursuant to Sections 5.1(b), (c) or (d); or (2) which were made on or prior to the Effective Date; or (3) which were made pursuant to a dividend reinvestment plan of the Corporation; or (4) pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of the Common Shares (other than holders resident in a jurisdiction where such distribution is restricted or impracticable as a result of applicable law) to subscribe for or purchase Common Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other person and provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person’s percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition; or (5) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities made pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person’s percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition; or (6) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities by way of a private placement or a securities exchange take-over bid circular or upon the exercise by an individual employee of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation, provided that (i) all necessary stock exchange approvals for such private placement, stock option plan or share purchase plan have been obtained and such private placement, stock option plan or share purchase plan complies with the terms and conditions of such approvals and (ii) such Person does not

become the Beneficial Owner of more than 25% of the Common Shares outstanding immediately prior to the distribution, and in making this determination the Common Shares to be issued to such Person in the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Common Shares immediately prior to the distribution; or (7) pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval ("**Exempt Acquisitions**");

- (D) the acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition (as defined below) ("**Convertible Security Acquisitions**"); or
- (E) acquisitions as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same pro rata basis as all other holders of Common Shares of the same class ("**Pro Rata Acquisitions**");

provided, however, that if a Person shall become the Beneficial Owner of 20% or more of the Common Shares of the Corporation then outstanding by reason of any one or a combination of (i) share acquisitions or redemptions by the Corporation or (ii) Permitted Bid Acquisitions or (iii) Exempt Acquisitions or (iv) Convertible Security Acquisitions or (v) Pro Rata Acquisitions and, after such share acquisitions or redemptions by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, such Person subsequently becomes the Beneficial Owner of more than an additional 1.00% of the number of Common Shares of the Corporation outstanding other than pursuant to any one or a combination of share acquisitions or redemptions of shares by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";

- (iii) a Grandfathered Person provided, however, that if such Person shall thereafter become the Beneficial Owner of more than an additional 1.00% of the number of Common Shares of the Corporation outstanding other than pursuant to share acquisitions or redemption of shares by the Corporation, Permitted Bid Acquisitions, Exempt acquisitions, Convertible Security Acquisitions, Acquisitions, then as of the date of any such acquisition such person shall become an "Acquiring Person";
- (iv) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on Section 1.1(d)(B) solely because such Person makes or announces an intention to make a Take-over Bid, either alone, through such Person's Affiliates or Associates or by acting jointly or in concert with any other Person. For the purposes of this definition, "**Disqualification Date**" means the first date of public announcement that any Person is making or intends to make a Take-over Bid either alone, through such Person's Affiliates or Associates or by acting jointly or in concert with any other Person; or

- (v) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a distribution of securities by way of prospectus or private placement.
- (b) **"Affiliate"**, used to indicate a relationship with a specified 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.
- (c) **"Associate"** of a specified individual shall mean any individual to whom such specified individual is married or with whom such specified individual is living in a conjugal relationship, outside marriage, or any relative of such specified individual or said spouse who has the same home as such specified individual.
- (d) A Person shall be deemed the **"Beneficial Owner"**, and to have **"Beneficial Ownership"**, of, and to **"Beneficially Own"**:
 - (i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has, directly or indirectly, the right to acquire (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding, in either case where such right is exercisable within a period of 60 days and whether or not on condition or the happening of any contingency (other than (1) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution to the public or pursuant to a private placement of securities or (2) pursuant to a pledge of securities in the ordinary course of business); and
 - (iii) any securities which are Beneficially Owned within the meaning of Sections 1.1(d)(i) or 1.1(d)(ii) above by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the **"Beneficial Owner"**, or to have **"Beneficial Ownership"** of, or to **"Beneficially Own"**, any security:

- (A) where (1) the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(d)(iii) or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(d)(iii), in each case until the earliest time at which any such tendered security is accepted unconditionally for payment or exchange or is taken up and paid for;
- (B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(d)(iii), holds such security provided that (1) the ordinary business of any such Person (the "Investment Manager") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person including the acquisition or holding of securities for non-discretionary accounts held on behalf of a client by a

broker or dealer registered under applicable securities laws, or (2) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of deceased or incompetent Persons or for such other accounts, or (3) such Person (the “**Plan Trustee**”) is the administrator or trustee of one or more pension funds or plans (each a “**Plan**”) registered under applicable laws and holds such security for the purposes of its activity as such, or (4) such Person is a Plan or is a Person established by statute (the “**Statutory Body**”) for purposes that include, and the ordinary business or activity of such Person includes the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies or (5) such Person is a Crown agent or agency, or (6) such Person (the “**Manager**”) is the manager or trustee of a mutual fund (“**Mutual Fund**”) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund; provided in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Plan, the Statutory Body, the Crown agent or agency, the Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid or has not announced a current intention to make a Take-over Bid, other than an Offer to Acquire Common Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange, securities quotation system, or organized over-the-counter market, alone, through its Affiliates or Associates or by acting jointly or in concert with any other Person; or

- (C) because such Person is a client of or has an account with the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is a client of or has an account with the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security; or
- (D) where such Person is (i) a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (ii) an account of a Trust Company and such security is owned at law or in equity by the Trust Company, or (iii) a Plan and such security is owned at law or in equity by the Plan Trustee; or
- (E) where such Person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person, shall be and be deemed to be the product determined by the formula:

100 x A/B

Where:

A = the number of votes for the election of all directors generally attaching to the Common Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Common Shares.

For the purposes of the foregoing formula, where any Person is deemed to Beneficially Own unissued Common Shares which may be acquired pursuant to Convertible Securities, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Common Shares which may be acquired pursuant to any other outstanding Convertible Securities shall, for the purposes of that calculation, be deemed to be outstanding.

- (e) **"Business Day"** shall mean any day other than a Saturday, Sunday or a day that is treated as a holiday in Vancouver, British Columbia, or Toronto, Ontario, Canada.
- (f) **"Business Corporations Act"** shall mean the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.
- (g) **"Canadian-U.S. Exchange Rate"** shall mean on any date the inverse of the U.S.-Canadian Exchange Rate.
- (h) **"Canadian Dollar Equivalent"** of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the Canadian-U.S. Exchange Rate on such date.
- (i) **"close of business"** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Vancouver, British Columbia (or, after the Separation Time, the offices of the Rights Agent in the City of Vancouver, British Columbia) becomes closed to the public.
- (j) **"Common Shares of the Corporation"** and **"Common Shares"** shall mean the common shares in the capital stock of the Corporation as constituted as at the Effective Date and any other share of the Corporation into which such common shares may be subdivided, consolidated, reclassified or changed from time to time and "common shares" when used with reference to any Person other than the Corporation means the class or classes of shares (or similar equity interest) with the greatest per share voting power entitled to vote generally in the election of all directors of such other Person or the equity securities or other equity interest having power (whether or not exercised) to control or direct the management of such other Person or, if such other Person is a corporation controlled by another Person, the Person (other than an individual) which ultimately controls such first mentioned other Person.
- (k) **"Competing Permitted Bid"** means a Take-over Bid that:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or another Competing Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in the clause (ii) of that definition; and

- (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.
- (l) **“Convertible Securities”** means at any time any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right pursuant to which the holder thereof may acquire Common Shares or other securities which are convertible into or exercisable or exchangeable for Common Shares.
- (m) **“Convertible Security Acquisitions”** has the meaning set forth in the definition of **“Acquiring Person”** herein.
- (n) **“Co-Rights Agents”** shall have the meaning set forth in Section 4.1(a).
- (o) **“Effective Date”** shall mean the close of business on May 15, 2018.
- (p) **“Exempt Acquisition”** has the meaning set forth in the definition of **“Acquiring Person”** herein.
- (q) **“Exercise Price”** shall mean, as of any date after the Separation Time, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right in accordance with the terms hereof and, subject to adjustment thereof in accordance with the terms hereof, the Exercise Price shall be equal to Cdn. \$1,000.00.
- (r) **“Expansion Factor”** shall have the meaning set forth in Section 2.3(a)(x);
- (s) **“Expiration Time”** shall mean the earlier of:
 - (i) the Termination Time; and
 - (ii) the termination of the annual meeting of shareholders of the Corporation in the year 2021;provided, however, that if the resolution referred to in Section 5.19 is approved by Independent Shareholders in accordance with Section 5.19 at or prior to such annual meeting, **“Expiration Time”**, means the earlier of (i) the Termination Time and (ii) the termination of the annual meeting of shareholders of the Corporation in 2024.
- (t) **“Fiduciary”** shall mean a trust company registered under the trust company legislation of Canada or any province thereof, a trust company organized under the laws of any state of the United States, a portfolio manager registered under the securities legislation of one or more provinces of Canada or an investment adviser registered under the United States Investment Advisers Act of 1940 or any other securities legislation of the United States or any state of the United States.
- (u) A **“Flip-in Event”** shall mean a transaction occurring subsequent to the date of this Agreement as a result of which any Person shall become an Acquiring Person provided, however, that a Flip-in Event, shall be deemed to occur at the close of business on the tenth day (or such later day as the Board of Directors of the Corporation may determine) after the Stock Acquisition Date.

- (v) **“Grandfathered Person”** means any Person who is the Beneficial Owner of 20% or more of the Outstanding Common Shares of the Corporation at the Record Time.
- (w) **“Independent Shareholders”** shall mean holders of outstanding Common Shares of the Corporation excluding (i) any Acquiring Person; or (ii) any Person (other than a Person referred to in Section 1.1(d)(B)) that is making or has announced a current intention to make a Take-over Bid for Common Shares of the Corporation (including a Permitted Bid or a Competing Permitted Bid) but excluding any such Person if the Take-over Bid so announced or made by such Person has been withdrawn, terminated or, expired; or (iii) any Affiliate or Associate of such Acquiring Person or a Person referred to in clause (ii); or (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii); or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted or direct whether the Common Shares are to be tendered to a Take-over Bid.
- (x) **“Market Price”** per security of any securities on any date of determination shall mean the average of the daily Closing Price Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The “Closing Price Per Security” of any securities on any date shall be:
 - (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by the principal Canadian stock exchange on which such securities are listed or admitted to trading, or if for any reason neither of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by such other securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year;
 - (ii) if, for any reason, none of such prices is available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange or national securities quotation system, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
 - (iii) if the securities are not listed or admitted to trading as contemplated in Sections 1.1(x)(i) or 1.1(x)(ii), the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities provided, however, that if on any such date the Closing Price Per Security cannot be

determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date shall mean the fair value per share of such securities on such date as determined in good faith by an internationally recognized investment dealer or investment banker with respect to the fair value per share of such securities.

The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars at the Canadian Dollar Equivalent thereof.

- (y) **"NI 62-103"** means National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues adopted by the Canadian securities regulatory authorities;
- (z) **"NI 62-104"** means National Instrument 62-104 – Take-Over Bids and Issuer Bids and any comparable or successor laws, instruments or rules thereto;
- (aa) **"1933 Securities Act"** shall mean the Securities Act of 1933 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.
- (bb) **"1934 Exchange Act"** shall mean the Securities Exchange Act of 1934 of the United States, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.
- (cc) **"Offer to Acquire"** shall include:
 - (i) an offer to purchase, or a solicitation of an offer to sell, Common Shares; and
 - (ii) an acceptance of an offer to sell Common Shares, whether or not such offer to sell has been solicited;or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell.
- (dd) **"Offeror's Securities"** means Common Shares Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-over Bid and **"Offeror"** means a Person who has announced a current intention to make or is making a Take-over Bid.
- (ee) **"Permitted Bid"** means a Take-over Bid made by a Person by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of record of Common Shares, other than the Offeror;
 - (ii) the Take-over Bid shall contain, and the provisions for the take-up and payment for Common Shares tendered or deposited thereunder shall be subject to, an irrevocable and unqualified condition that no Common Shares shall be taken up or paid for pursuant to the Take-over Bid:
 - (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of NI 62-104 for which a Take-Over Bid (that is not exempt from any of the

requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposit of securities thereunder; and

- (B) unless at the close of business on the date Common Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Common Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (iii) the Take-over Bid shall contain irrevocable and unqualified provisions that, unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and that all Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
- (iv) the Take-over Bid shall contain an irrevocable and unqualified condition that more than 50% of the outstanding Common Shares held by Independent Shareholders, determined as at the close of business on the date of first take-up or payment for Common Shares under the Take-over Bid, must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Common Shares; and
- (v) the Take-over Bid shall contain an irrevocable and unqualified provision that in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Common Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will be extended for a period of not less than 10 Business Days from the date of such public announcement;

provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term "**Permitted Bid**" shall also mean the Competing Permitted Bid.

- (ff) "**Permitted Bid Acquisitions**" has the meaning set forth in the definition of "**Acquiring Person**" herein.
- (gg) "**Permitted Lock-up Agreement**" means an agreement (the "**Lock-up Agreement**") between a Person and one or more holders of Common Shares (each such holder herein referred to as a "**Locked-up Person**") (the terms of which are publicly disclosed and reduced to writing and a copy of which is made available to the public (including the Corporation) not later than the date of the Lock-up Bid (as defined below) or if the Lock-up Bid has been made prior to the date of the Lock-up Agreement not later than the first Business Day following the date of the Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender the Common Shares held by such holder to a Take-over Bid (the "**Lock-up Bid**") made by the Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(d)(iii) provided that:
 - (i) the Lock-up Agreement permits the Locked-up Person to withdraw its Common Shares from the Lock-up Agreement in order to deposit or tender the Common Shares to another Take-over Bid or to support another transaction prior to the Common Shares being taken up and paid for under the Lock-up Bid:
 - (A) at a price or value per Common Share that exceeds the price or value per Common Share offered under the Lock-up Bid; or

- (B) at an offering price for each Common Share that exceeds by as much as or more than a specified amount (the "Specified Amount") the offering price for each Common Share contained in or proposed to be contained in the Lock-up Bid and does not by itself provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid;

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Common Shares from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Common Shares during the period of the other Take-over Bid or transaction; and

- (ii) no "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in aggregate the greater of:
 - (A) 2.5% of the price or value of the consideration payable under the Lock-up Bid to a Locked-up Person; and
 - (B) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds the price or value of the consideration that the Locked-up Person would have received under the Lock-up Bid;

shall be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Common Shares to the Lock-up Bid, or withdraws Common Shares previously tendered thereto in order to deposit or tender such Common Shares to another Take-over Bid or support another transaction.

- (hh) "**Person**" shall mean any individual, firm, partnership, association, trust, trustee, personal representative, body corporate, corporation, unincorporated organization, syndicate or other entity.
- (ii) "**Pro Rata Acquisition**" has the meaning set forth in the definition of "**Acquiring Person**" herein.
- (jj) "**Record Time**" shall mean the close of business on May 15, 2018.
- (kk) "**Redemption Price**" has the meaning set forth in Section 5.1(a) herein.
- (ll) "**Rights Certificate**" shall mean, after the Separation Time, the certificate representing the Rights substantially in the form of Exhibit A hereto.
- (mm) "**Securities Act**" shall mean the *Securities Act* (British Columbia), S.B.C. 1985, c. 83, as amended, and the rules and regulations thereunder, each as may be amended from time to time and any comparable or successor laws, rules or regulations thereto.
- (nn) "**Separation Time**" shall mean the close of business on the tenth Business Day after the earlier of:
 - (i) the Stock Acquisition Date;

(ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Take-over Bid which is a Permitted Bid so long as such Take-over Bid continues to satisfy the requirements of a Permitted Bid), provided that, if any Take-over Bid referred to in this Section 1.1(nn) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for purposes of this Section 1.1(nn), never to have been made; and

(iii) the date upon which a Permitted Bid ceases to be a Permitted Bid;

or such later date as may be determined by the Board of Directors of the Corporation acting in good faith provided that, if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time and if the Board of Directors determines pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event, the Separation Time in respect of such Flip-in Event shall be deemed never to have occurred.

(oo) **“Stock Acquisition Date”** shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 111 of the Securities Act or Section 13(d) under the 1934 Exchange Act) by the Corporation or an Acquiring Person that a Person has become an Acquiring Person.

(pp) **“Subsidiary”** of any specified Person shall mean any corporation or other entity controlled by such specified Person.

(qq) **“Take-over Bid”** means an Offer to Acquire Common Shares or securities convertible into Common Shares, where the Common Shares subject to the Offer to Acquire, together with the Common Shares into which the securities subject to the Offer to Acquire are convertible, and the Offeror’s Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire.

(rr) **“Termination Time”** shall mean the time at which the right to exercise Rights shall terminate pursuant to Sections 5.1, 5.19 or 5.20 hereof.

(ss) **“Trading Day”**, when used with respect to any securities, shall mean a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange, a Business Day.

(tt) **“U.S.-Canadian Exchange Rate”** shall mean on any date:

(i) if on such date the Bank of Canada sets a daily exchange rate for the conversion of one United States dollar into Canadian dollars, such rate; and

(ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith.

(uu) **“U.S. Dollar Equivalent”** of any amount which is expressed in Canadian dollars shall mean on any day the United States dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate on such date.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with another Person if such Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person to acquire or Offer to Acquire any Common Shares of the Corporation (other than (A) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities by way of prospectus or private placement; or (B) pursuant to a pledge of securities in the ordinary course of business).

1.4 Control

A Person is “**controlled**” by another Person or two or more other Persons acting jointly or in concert if:

- (c) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
- (d) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert.

and “**controls**”, “**controlling**” and “**under common control with**” shall be interpreted accordingly.

1.5 Holder of Rights

As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

1.6 References to this Agreement

In this Agreement, unless otherwise provided herein and unless the context otherwise requires, references to “**this Agreement**”, “**herein**”, “**hereby**” and “**hereunder**” mean this Shareholder Rights Plan Agreement dated May 15, 2018 between the Corporation and the Rights Agent as amended and supplemented from time to time.

ARTICLE 2 THE RIGHTS

2.1 Legend on Common Share Certificates

Certificates for the Common Shares, including without limitation Common Shares issued upon the conversion of Convertible Securities, issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and, commencing as soon as reasonably practicable after the Record Time, shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Plan Agreement, dated as of May 15, 2018, as such agreement may from time to time be amended, restated, varied or replaced (the “**Rights Agreement**”), between Intrinsyc Technologies Corporation (the “**Corporation**”) and TSX Trust Company as Rights Agent, the terms of which are hereby incorporated herein by reference, and a copy of which is on file at the registered office of the Corporation. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended, redeemed, expire, become void (if, in certain cases, they are “Beneficially Owned” by an “Acquiring Person”, as such terms are defined in the Rights Agreement) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time, to purchase, for the Exercise Price, or its U.S. Dollar Equivalent as at the Business Day immediately preceding the day of exercise of the Right, one Common Share. Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) for administrative purposes, each Right will be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof and will be transferable only together with, and will be transferred by a transfer of, such associated share.
- (c) After the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised; and (ii) will be transferable independent of Common Shares. Promptly following the Separation Time the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time and, in respect of each Convertible Security converted into Common Shares after the Separation Time and prior to the Expiration Time promptly after such conversion to the holder so converting (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights) at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a Rights Certificate with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant

thereto or with any rule or regulation of any stock exchange or securities quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement describing the Rights.

- (d) Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its office in the City of Toronto, Ontario, Canada), the Rights Certificate evidencing such Rights together with an Election to Exercise (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate duly completed, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) Upon receipt of a Rights Certificate, with a duly completed Election to Exercise (which does not indicate that the holder so exercising is an Acquiring Person) accompanied by payment as set forth in Section 2.2(d) above, the Rights Agent will thereupon promptly:
 - (i) requisition from the transfer agent or any co-transfer agent of the Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares and after receipt, deliver such cash to or to the order of the registered holder of the Rights Certificate;
 - (iii) after receipt of the Common Share certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder; and
 - (iv) tender to the Corporation all payments received on exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
 - (i) take all such action as may be necessary and within its power to ensure that all shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the *Business Corporations Act*, the *Securities Act*, the securities acts or comparable legislation of each of the other provinces of Canada, the 1933 Securities Act and the 1934 Exchange Act, and the rules and regulations thereunder or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any shares upon exercise of Rights;

- (iii) use reasonable efforts to cause all shares issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the common shares were traded immediately prior to the Stock Acquisition Date;
- (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights; and
- (v) pay when due and payable any and all Canadian and United States federal, provincial, and state transfer taxes (for greater certainty not including any income taxes or capital gains of the holder or exercising holder or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for shares, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares in a name other than that of the holder of the Rights being transferred or exercised.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time:
 - (i) declare or pay a dividend on the Common Shares payable in Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) other than pursuant to any optional stock dividend program, dividend reinvestment plan or a dividend payable in Common Shares in lieu of a regular periodic cash dividend;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) combine or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) in respect of, in lieu of or in exchange for existing Common Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (x) the Exercise Price in effect after such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof and (y) each Right held prior to such adjustment shall become that number of

Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, combination or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Effective Date and prior to the Expiration Time the Corporation shall issue any shares of capital stock other than Common Shares in a transaction of a type described in Section 2.3(a)(i) or (iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to and shall be made prior to any adjustment required pursuant to Section 3.1 hereof. Adjustments pursuant to Section 2.3(a) shall be made successively, whenever an event referred to in Section 2.3(a) occurs.

In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in the preceding paragraph, each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such Common Share.

- (b) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per share)) less than 90% of the Market Price per Common Share on such record date, the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Common Shares outstanding on such record date plus the number of Common Shares which the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator shall be the number of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price is satisfied in whole or in part by consideration in a form other than cash the value of such consideration shall be as determined in good faith by the Board of Directors of the Corporation whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights.

Such adjustment shall be made successively whenever such a record date is fixed. For purposes of this paragraph (b), the granting of the right to purchase Common Shares pursuant to any dividend or interest reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; provided, however, that in the case of any dividend or interest reinvestment plan, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than a regular periodic cash dividend or a dividend paid in Common Shares) or rights or warrants entitling them to subscribe for or purchase Common Shares (or Convertible Securities in respect of Common Shares) at a price per Common Share (or, in the case of a Convertible Security in respect of Common Shares having a conversion or exercise price per share (including the price required to be paid to purchase such Convertible Security) less than 90% of the Market Price per Common Share on such record date (excluding those referred to in Section 2.3(b)), the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors of the Corporation) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent shall be binding on the Rights Agent and the holders of the Rights). Such adjustment shall be made successively whenever such a record date is fixed.
- (d) Each adjustment made pursuant to this Section 2.3 shall be made as of:
 - (i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to paragraph (a) above; and
 - (ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to paragraph (b) or (c) above,
 - (iii) subject to readjustment to reverse the same if such distribution shall not be made.
- (e) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time issue any shares of capital stock (other than Common Shares), or rights or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock, in a transaction referred to in clause (a)(i) or (a)(iv) above, or if the Corporation shall take any other action (other than the issue of Common Shares) which might have a negative effect on the holders of Rights, if the Board of Directors acting in good faith determines that the adjustments contemplated by paragraphs (a), (b) and (c) above are not applicable or will not appropriately protect the interests of the holders of Rights, the Corporation may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by paragraphs (a), (b) and (c) above are applicable, notwithstanding such paragraphs, the adjustments so determined by the Corporation, rather than adjustments contemplated by paragraphs (a),

(b) and (c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement in accordance with Section 5.4 to provide for such adjustments.

- (f) Each adjustment to the Exercise Price made pursuant to this Section 2.3 shall be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
- (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - (ii) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights who requests a copy.

Failure to file such certificate or cause such summary to be mailed as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

- (g) Subject to Section 5.3, irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.

2.4 Date on Which Exercise is Effective

Each person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by its Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, any Vice President or its Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and mail such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed “Rights Registrar” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.
- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d) below, the Corporation shall execute, and the Rights Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence ownership of any Rights Certificate, (ii) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate, and (iii) such security or indemnity as may be required by each of them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights, duly issued hereunder.

2.8 Persons Deemed Owners

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person, in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever.

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable law, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights by accepting the same consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

- (a) he will be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share;
- (c) after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein.
- (d) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) such holder of Rights has waived his right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided herein);
- (f) subject to the provisions of Section 5.4, without the approval of any holder of Rights or Common Shares and upon the sole authority of the Board of Directors of the Corporation

acting in good faith this Agreement may be supplemented or amended from time to time as otherwise provided herein; and

- (g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Fiduciary Duties of the Directors

- (a) For clarification it is understood that nothing contained in this Agreement shall be considered to affect the obligations of the directors of the Corporation to exercise their fiduciary duties. Without limiting the generality of the foregoing, nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of the Common Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Sections 3.1(b), 5.1(b), 5.1(c) and 5.1(d) hereof, in the event that prior to the Expiration Time a Flip-in Event shall occur, the Corporation shall take such action as shall be necessary to ensure and provide, within 10 Business Days thereafter or such longer period as may be required to satisfy the requirements of the applicable securities acts or comparable legislation so that, except as provided below, each Right shall thereafter constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price, (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.3 shall have occurred with respect to such Common Shares).
- (b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person, acting jointly or in concert with, an Acquiring Person or any Affiliate or Associate of an Acquiring Person) in a transfer made

after the date hereof, whether or not for consideration, that the Board of Directors of the Corporation acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person, (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with any Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding clause (i) of this Section 3.1(b),

shall become void and any holder of such Rights (including transferees) shall thereafter have no right, to exercise such Rights under any provision of this Agreement and shall not have any other rights whatsoever in respect of such Rights, whether under any provision of this Agreement or otherwise.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement”.

provided that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person, an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents (the “**Co-Rights Agents**”) as it may deem necessary or desirable, subject to the consent of the Rights Agent, acting reasonably. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and Co-Rights Agents. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements reasonably incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Corporation, such approval not to be unreasonably withheld). The Corporation also agrees to indemnify the Rights Agent, its directors, officers, employees and agents for, and to hold them harmless against, any loss, liability, cost, claim, action, damage or expense,

incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent or its directors, officers, employees and agents, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Corporation and, in any event, shall be a reputable legal firm), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights

Agent may also, with the approval of the Corporation (such approval not to be unreasonably withheld) and at the expense of the Corporation, consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent shall be entitled to rely in good faith on the advice of any such expert.

- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the Chairman of the Board, the President, Chief Executive Officer, Chief Financial Officer, any Vice President or the Secretary and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent will be liable hereunder only for events which are the result of its own gross negligence, bad faith or wilful misconduct and that of its officers, directors and employees.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) The Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President or the Secretary, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such person; it is

understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions.

- (h) The Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity, provided such actions would not place the Rights Agent in a position of conflict of interest with respect to its duties under this Agreement.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.9. The Corporation may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Common Shares (by personal delivery, or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent or any holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company or a transfer agent in the Province of British Columbia. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder upon payment of its outstanding fees and expenses owing by the Corporation to the predecessor Rights Agent under this Agreement, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money

laundrying or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective. Subject to applicable law, the Rights Agent agrees to notify the Corporation as soon as reasonably possible in the event that the Rights Agent has concerns which may give rise to the rights of the Rights Agent to resign under this paragraph and such notice shall describe the basis for such concerns.

4.6 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- (a) The Board of Directors of the Corporation acting in good faith may, with the prior consent of holders of Common Shares or of the holders of Rights given in accordance with Section 5.1(f) or (g), as the case may be, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Directors of the Corporation acting in good faith may, with the prior consent of the holders of Common Shares given in accordance with Section 5.1(f), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares and otherwise than in the circumstances set forth in Section 5.1(d), to waive the application of Section 3.1 to such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of shareholders called to approve such waiver.
- (c) The Board of Directors of the Corporation acting in good faith may, prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived under this clause, determine, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to that Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by means of a Take-over Bid circular sent to all holders of record of Common Shares; further provided that if the Board waives the application of Section 3.1 to such a Flip-in Event, the Board of Directors shall be deemed to have waived the application

of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares which is made prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1(c).

- (d) The Board of Directors of the Corporation acting in good faith may, in respect of any Flip-in Event waive the application of Section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
 - (i) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - (ii) such Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver pursuant to this Section 5.1(d) it is no longer an Acquiring Person.
- (e) Where, pursuant to a Permitted Bid, a competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors of the Corporation has waived, or is deemed to have waived, pursuant to Section 5.1(c), the application of Section 3.1, a Person acquires outstanding Common Shares, then the Board of Directors shall immediately upon the consummation of such acquisition without further formality be deemed to have elected to redeem the Rights at the Redemption Price.
- (f) If a redemption of Rights pursuant to Section 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Common Shares. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's by-laws.
- (g) If a redemption of Rights pursuant to Section 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the *Business Corporations Act* with respect to meetings of shareholders of the Corporation.
- (h) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all the outstanding Rights at the Redemption Price. Notwithstanding such redemption, all of the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and it shall be deemed not to have occurred and Rights shall remain attached to the outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.
- (i) If the Board of Directors of the Corporation elects or is deemed to have elected to redeem the Rights, and, in circumstances where Section 5.1(a) is applicable, such redemption is approved by the holders of Common Shares or the holders of Rights in accordance with

Section 5.1(f) or (g), as the case may be, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.

- (j) Within 10 Business Days of the Board of Directors electing or having been deemed to have elected to redeem the Rights or, if Section 5.1(a) is applicable within 10 Business Days after the holders of Common Shares or the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(f) or (g), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at its last address as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 or in connection with the purchase of Common Shares prior to the Separation Time.
- (k) The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number of or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may from time to time amend, vary or delete any of the provisions of this Agreement and the Rights prior to the date of the meeting of shareholders to confirm the Rights Plan as set forth in Section 5.19 without the approval of the shareholders of the Corporation and on or after the date of such confirmation, no amendment, variation or deletion shall be made without the prior consent of the shareholders of the Corporation or holders of the Rights, subject to Sections 5.4(b) and 5.4(c), except that amendments, variations or deletions made for any of the following purposes shall not require such prior approval:
 - (i) subject to subsequent ratification in accordance with Section 5.4(b), in order to make such changes as are necessary in order to maintain the validity of this Agreement and the Rights as a result of any change in any applicable legislation, regulations or rules; or
 - (ii) in order to make such changes as are necessary in order to cure any clerical or typographical error.

Notwithstanding anything in this Section 5.4 to the contrary, no amendment, variation or deletion shall be made to the provisions of Section 4.4 or any other provision specifically

relating to the rights or duties of the Rights Agent except with the written concurrence of the Rights Agent thereto.

- (b) Any amendment, variation or deletion made by the Board of Directors pursuant to Section 5.4(a) which is made on or after the date of the meeting of shareholders to confirm this Agreement as set forth in Section 5.19 and which requires shareholder approval shall, if made:
 - (i) prior to the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by resolution passed by a majority of the votes cast by Independent Shareholders who vote in respect of such amendment, variation or deletion, confirm or reject such amendment or supplement; or
 - (ii) after the Separation Time, be submitted to the holders of Rights at a meeting to be held on a date not later than the date of the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by a majority of the votes cast by the holders of Rights which have not become void pursuant to Section 3.1(b) who vote in respect of such amendment, variation or deletion, confirm or reject such amendment or supplement.
- (c) Any amendment, variation or deletion subject to shareholder approval shall be effective from the later of the date of (i) the consent of the holders of Common Shares or Rights, as applicable, adopting such amendment, variation or deletion and (ii) the date of approval thereof by all necessary stock exchanges (except in the case of another amendment, variation or deletion referred to in Paragraph 5.4(a)(i), which shall be effective from the later of the date of (x) the resolution of the Board of Directors adopting such amendment, variation or deletion and (y) the date of approval thereof by all necessary stock exchanges and shall continue in effect until it ceases to be effective (as in this Section 5.4(c) described) and, where such amendment, variation or deletion is confirmed, it shall continue in effect in the form so confirmed). If an amendment, variation or deletion pursuant to Sections 5.4(a)(i) or 5.4(b)(ii) is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment, variation or deletion shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board to amend, vary or delete any provision of this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights, as the case may be.
- (d) For greater certainty, neither the exercise by the Board of any power or discretion conferred on it hereunder nor the making by the Board of any determination or the granting of any waiver it is permitted to make or give hereunder shall constitute an amendment, variation or deletion of the provisions of this Agreement or the Rights, for purposes of this Section 5.4 or otherwise.
- (e) The approval, confirmation or consent of the holders of Rights with respect to any matter arising hereunder shall be deemed to have been given if the action requiring such approval, confirmation or consent is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof or which, prior to the Separation Time, are held otherwise than by Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the

meeting shall be those, as nearly as may be, which are provided in the Corporation's constating documents and the Business Corporations Act with respect to meetings of shareholders of the Corporation.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time there shall be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable. The Rights Agent shall have no obligation to make any payments in lieu of fractional Rights unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).
- (b) The Corporation shall not be required to issue fractional Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Common Share at the date of such exercise. The Rights Agent shall have no obligation to make any payments in lieu of fractional Common Shares unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which he is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 5.8 hereof), or to receive dividends or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, shall have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time:

- (a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or
- (b) to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets,

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 10 Business Days prior to the date of taking of such proposed action by the Corporation.

5.9 Notices

Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Corporation following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Rights Agent) as follows:

Intrinsyc Technologies Corporation
#380-885 Dunsmuir Street
Vancouver, BC V6C 1N5
Attention: Chief Financial Officer
Fax: (604) 801-6417

Notices or demands to be given or made in connection with this Agreement by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Corporation) as follows:

TSX Trust Company
301 – 100 Adelaide Street West
Toronto, ON M5H 4H1
Attention: Vice President, Trust Services
Fax: (416) 361-0470

Notices or demands to be given or made in connection with this Agreement by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to such holder following the giving of the notice or demand by fax), addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for the Common Shares.

Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of faxing (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter).

Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.9, give such notice by means, of publication once in each of two successive weeks in the business section of the Financial Post and, so long as the Corporation has a transfer agent in the United States, in a daily publication in the United States designated by the Corporation, or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.14 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.16 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.17 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.18 Effective Date

This Agreement (subject to receipt of the approval of the Independent Shareholders as set forth below) is effective from the Effective Date.

5.19 Shareholder Review

At or prior to the annual meeting of the shareholders of the Corporation in 2021, provided that a Flip-in Event has not occurred prior to such time, the Board of Directors shall submit a resolution ratifying the continued existence of this Agreement to the Independent Shareholders for their consideration and, if thought advisable, approval. Unless the majority of the votes cast by Independent Shareholders who vote in respect of such resolution are voted in favour of the continued existence of this Agreement, the Board of Directors shall, immediately upon the confirmation by the Chairman of such shareholders' meeting of the results of the votes on such resolution and without further formality, be deemed to elect to redeem the Rights at the Redemption Price.

5.20 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority. Without limiting the generality of the foregoing, any issuance or delivery of debt or equity securities (other than non-convertible debt securities) of the Corporation upon the exercise of Rights and any amendment or supplement to this Agreement shall be subject to the prior consent of The Toronto Stock Exchange and any other exchange upon which the Common Shares of the Corporation may be listed.

5.21 Reconfirmation

This Agreement was confirmed by a resolution passed by a majority of the votes cast by all holders of Common Shares and a majority of the voters cast by all Independent Shareholders who vote in respect of such reconfirmation at the annual meeting of the Corporation held on May 15, 2018 and will be reconfirmed at every third annual meeting of the Company thereafter at which this Agreement has been reconfirmed pursuant to this Section 5.21. If this Agreement is not so reconfirmed or is not presented for reconfirmation at any such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of any such annual meeting; provided, however, that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Sections 5.1(a) or 5.1(h) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section.

5.22 Declaration as to Non-Canadian and Non-U.S. Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel), any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada and the United States of America, its territories and possessions, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to a Canadian resident Fiduciary of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Persons entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada and a province or territory thereof and the United States of America and any state thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.23 Determinations and Actions by the Board of Directors

All actions and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Corporation pursuant to this Agreement, in good faith, shall not subject any member of the Board of Directors to any liability whatsoever to the holders of the Rights.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed this 15th day of May, 2018, with effect as of the date first above written.

INTRINSYC TECHNOLOGIES CORPORATION

PER: _____
Name:
Title:

PER: _____
Name:
Title:

TSX TRUST COMPANY

PER: _____
Name:
Title:

PER: _____
Name:

Title:

EXHIBIT A

FORM OF RIGHTS CERTIFICATE

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREE OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM MAY BECOME VOID .

Rights Certificate

This certifies that _____ is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Amended and Restated Shareholder Rights Plan Agreement dated as of May 15, 2018, as such may from time to time be amended, restated, varied or replaced, (the "**Rights Agreement**") between Intrinsic Technologies Corporation, a corporation organized under the laws of Canada (the "**Corporation**"), and TSX Trust Company, a company incorporated under the laws of Canada, as Rights Agent (the "**Rights Agent**"), which term shall include any successor Rights Agent under the Rights Agreement, to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Time (as such term is defined in the Rights Agreement), one fully paid common share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed to the Rights Agent at its principal office in the City of Toronto or in such other cities as may be designated by the Corporation from time to time.

In certain circumstances described in the Rights Agreement, the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the registered office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$0.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time

be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation and its corporate seal.

Date: _____

INTRINSYC TECHNOLOGIES CORPORATION

By: _____
Authorized Officer

Countersigned:

TSX TRUST COMPANY

By: _____
Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers

to _____
(Please print name and address of transferee)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed: _____

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a member of a recognized stock exchange or a member of a recognized Medallion Program (STAMP, MSP or SEMP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature: _____

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person, an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them (each as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: INTRINSYC TECHNOLOGIES CORPORATION

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such shares (or other securities or title to such property) be issued in the name of:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR
OTHER TAXPAYER IDENTIFICATION NUMBER

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR
OTHER TAXPAYER IDENTIFICATION NUMBER

Dated: _____

Signature Guaranteed: _____

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a member of a recognized stock exchange or a member of a recognized Medallion Program (STAMP, MSP or SEMP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature: _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person, an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them (each as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.