

**CALIAN GROUP LTD.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT the annual and special meeting of the shareholders of CALIAN GROUP LTD. (the “Corporation”) will be held on Thursday, February 6, 2020 at 9:45 a.m. (Toronto time) with investor day following, at the Toronto Stock Exchange at 130 King Street West, Toronto, Ontario M5X 1J2 (the “Meeting”), for the following purposes:

- a) to receive the financial statements of the Corporation for the financial year ended September 30, 2019, together with the report of the auditors of the Corporation thereon;
- b) to elect the directors of the Corporation, as more fully described in the section of the Corporation’s management information circular for the Meeting (the “Circular”) entitled “Election of Directors”;
- c) to appoint the auditors of the Corporation and to authorize the directors of the Corporation to fix the auditors’ remuneration, as more fully described in the section of the Circular entitled “Appointment of Auditors”;
- d) to consider, and if deemed advisable, pass an ordinary resolution approving the renewal of the Corporation’s 2016 Stock Option Plan, as more fully described in the section of the Circular entitled “Reapproval and Confirmation of 2016 Stock Option Plan”;
- e) to consider, and if deemed advisable, pass an ordinary resolution approving the renewal of the Corporation’s 2016 Restricted Share Unit Plan, as more fully described in the section of the Circular entitled “Reapproval and Confirmation of 2016 Restricted Share Unit Plan”;
- f) to consider, and if deemed advisable, pass an ordinary resolution approving the Corporation’s 2020 Employee Share Purchase Plan, as more fully described in the section of the Circular entitled “Approval of 2020 Employee Share Purchase Plan”;
- g) to consider, and if deemed advisable, pass an ordinary resolution approving the Corporation’s 2020 Shareholder Rights Plan, as more fully described in the section of the Circular entitled “Approval of 2020 Shareholder Rights Plan”; and
- h) to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Corporation is sending proxy-related materials to registered and non-registered shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online.

The Circular, this Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2019 and the management’s discussion and analysis relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com). Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation, at the toll-free number 1-877-225-4264. In order for shareholders to receive paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended to contact the Corporation, at the number above as soon as possible but not later than January 22, 2020.

If you are a registered shareholder a form of proxy is enclosed. A copy of the proxy is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com).

If you are a non-registered shareholder a voting instruction form is enclosed.

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable.

In order for a registered shareholder to be represented by proxy at the Meeting, the shareholder must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by AST Trust Company (Canada) at Proxy Department, PO Box 721, Agincourt, ON M1S 0A1, not later than 9:45 a.m. (Eastern

Time) on Tuesday, February 4, 2020 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The Form of Proxy also provides details on how you may submit your proxy by telephone or internet.

Non-registered shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

**DATED at** Kanata, Ontario this 11<sup>th</sup> of December, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'P. Houston', written over a faint, illegible printed name.

Patrick Houston, Secretary

**CALIAN GROUP LTD.  
MANAGEMENT PROXY CIRCULAR  
December 11, 2019**

**SOLICITATION OF PROXIES**

**This Management Proxy Circular (this “Circular”) is furnished in connection with the solicitation by the management of CALIAN GROUP LTD. (the “Corporation”) of proxies to be used at the annual and special meeting of shareholders of the Corporation to be held on Thursday, February 6, 2020 at 9:45 a.m. (Toronto time) at the Toronto Stock Exchange at 130 King Street West, Toronto, Ontario M5X 1J2 for the purposes set forth in the enclosed notice of meeting or any adjournment thereof (the “Meeting”).** It is expected that the solicitation will be primarily by mail, but officers, employees or agents of the Corporation may also solicit proxies personally, at nominal cost and without additional compensation. The cost of solicitation by management will be borne by the Corporation. Except as otherwise stated, the information contained in this Circular is given as of December 9, 2019. All dollar amounts in this Circular are in Canadian dollars unless otherwise indicated.

**APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES**

A vote at all meetings of shareholders of the Corporation may be given in person or by proxy, whether or not the proxy holder is a shareholder. The persons named in the Form of Proxy enclosed with this Circular are officers of the Corporation. **Each registered shareholder is entitled to appoint a person other than the individuals named in the Form of Proxy to represent such shareholder at the Meeting. A registered shareholder desiring to appoint some other person to represent that shareholder at the Meeting may do so either by inserting such person’s name in the blank space provided in the appropriate Form of Proxy or by completing another proper Form of Proxy.**

Completed Forms of Proxy must be delivered to the Corporation’s transfer agent, AST Trust Company (Canada), at Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, in the addressed envelope enclosed or by fax to 1-866-781-3111, or by email to proxyvote@astfinancial.com or to the Secretary of the Corporation no later than 9:45 a.m. (Toronto time) on Tuesday, February 4, 2020.

The officers named in the Form of Proxy will vote for, against or withhold from voting the common shares in the capital of the Corporation (the “Common Shares”) for which they are appointed proxy holders (including on any ballot that may be called for) in accordance with the instructions of the shareholder appointing them. If a shareholder appoints some person other than the officers named in the Form of Proxy to represent the shareholder, such person will vote the Common Shares in respect of which that person is appointed proxy holder in accordance with the direction of the shareholder who appointed that person. In the absence of such direction, that person may vote such shares at that person’s discretion. It is the responsibility of the shareholder appointing any other person to represent such shareholder to inform that person that that person has been so appointed. **In the absence of such instructions, such Common Shares will be voted FOR all matters scheduled to come before the meeting.**

The Form of Proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters, which may properly come before the Meeting. At the date hereof, management of the Corporation is not aware of any other matters to come before the Meeting. Any amendment, variation or other matter, which is not known to management, which may properly come before the Meeting, will be voted upon by the proxies hereby solicited in accordance with the best judgment of the person or persons voting such proxies.

Pursuant to Section 148(4) of the *Canada Business Corporations Act* (the “CBCA”), a proxy given pursuant to this solicitation may be revoked (1) by instrument in writing, executed by the shareholder or by the shareholder’s attorney authorized in writing and deposited (a) at the registered office of the Corporation at 770 Palladium Drive, suite 400, Ottawa, Ontario, K2V 1C8 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (b) prior to voting with the chair of the Meeting on the day of the Meeting, or any adjournment thereof or (3) in any other manner permitted by law.

Only registered holders of Common Shares, or the persons that they appoint as proxies, are permitted to attend and vote at the Meeting. In many cases, however, Common Shares are beneficially owned by a shareholder (a “Non-Registered Holder”) and are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (ii) in the name of a clearing

agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. If you are a Non-Registered Holder, your name and address will appear on the voting instruction form sent to you by the Corporation’s transfer agent, AST Trust Company (Canada), or by an Intermediary (bank, broker or trust company). A Non-Registered Holder may vote or appoint a proxy by mail, phone, fax or on the Internet, as applicable, in accordance with the voting instruction form. AST Trust Company (Canada) or your Intermediary, as applicable, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set out in the voting instruction form.

**IF YOU HOLD YOUR COMMON SHARES THROUGH A BROKERAGE ACCOUNT OR OTHER INTERMEDIARY YOU ARE A NON-REGISTERED HOLDER. NON-REGISTERED HOLDERS SHOULD CAREFULLY FOLLOW THE INSTRUCTIONS IN THE VOTING INSTRUCTION FORM, INCLUDING THOSE REGARDING WHEN AND WHERE THE VOTING INSTRUCTIONS FORM IS TO BE DELIVERED. IF YOU OR A PERSON YOU DESIGNATE PLAN TO ATTEND THE MEETING AND VOTE YOU MUST APPOINT YOURSELF OR THAT PERSON AS PROXY USING THE VOTING INSTRUCTION FORM.**

A Non-Registered Holder may revoke a voting instruction form previously given to an Intermediary by providing written notice to your Intermediary following the instructions on the voting instruction form. To ensure that an Intermediary, as applicable, acts upon a revocation of a voting instruction form, the written notice should be received well in advance of the Meeting.

These security holder materials are being provided to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has provided these 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 on your behalf. By choosing to provide these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) providing these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## NOTICE AND ACCESS

The Corporation is sending proxy-related materials to all shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2019 and the management’s discussion and analysis relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com). Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation at the toll-free number 1-877-225-4264.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at December 9<sup>th</sup>, 7,960,064 Common Shares were issued and outstanding, the holders of which are entitled to one vote for each Common Share held. The board of directors of the Corporation (the “Board”) has fixed the close of business on December 9, 2019 as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at the Meeting. The failure of any shareholder to receive notice of a meeting of the shareholders does not, however, deprive such shareholder of a vote at such meeting.

As of December 9, 2019, the following is the only person who, as of such date, is known to the directors or executive officers of the Corporation to be the beneficial owner of or exercise control or direction, directly or indirectly, over more than 10% of the Common Shares:

Name of Beneficial Owner	Number of Common Shares Held	Percentage of Voting Common Shares
FMRCo and related corporations	1,012,313 <sup>(1)</sup>	12.72%
Mawer Investment Management Ltd.	804,553 <sup>(1)</sup>	10.11%

(1) Based on publicly-available information which cannot be independently confirmed by the Corporation.

## PRESENTATION OF FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

The Corporation’s audited financial statements for the year ended September 30, 2019 (the “Financial Statements”) and the auditors’ report on the Financial Statements will be presented to shareholders at the Meeting. The Financial Statements are included in the Corporation’s 2019 Annual Report which accompanies this Circular. In accordance with the provisions of the CBCA, the Financial Statements are merely presented at the Meeting and will not be voted on.

The Corporation has filed an Annual Information Form (the “AIF”) for its 2019 fiscal year and its 2019 Annual Report on SEDAR at [www.sedar.com](http://www.sedar.com) that contain, among other things, all of the financial disclosure (including copies of the Financial Statements and management’s discussion and analysis of the Financial Statements) required under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. In particular, the information that is required to be disclosed in Form 52-110F1 of National Instrument 52-110 may be found under the heading “Audit Committee” in the AIF. Upon request, the Corporation will promptly provide copies of the AIF to shareholders free of charge.

## ELECTION OF DIRECTORS

The Board is elected annually. The number of directors of the Corporation to be elected at the Meeting is set at seven (7). Each of the persons listed below is proposed to be nominated as a director of the Corporation to serve until the next annual meeting or until such person’s successor is elected or appointed, and each has agreed to serve as director if elected. Unless a shareholder directs that such shareholder’s Common Shares are to be withheld from voting for the election of directors, the persons designated in the enclosed proxy will vote FOR the election of each proposed nominee listed in the table below, all of whom are currently directors of the Corporation:

Name and Present Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Held, Directly and Indirectly
Kenneth J. Loeb <sup>(1)(2)(3)(4)(5)</sup> , Ontario, Canada Executive Chairman, Ambassador Realty Inc.	2001 – 2019	6,236 <sup>(6)</sup>
Richard A. Vickers, FCPA, FCA <sup>(1)(2)(3)(4)</sup> , Ontario, Canada Consultant, R. A. Vickers Management Inc.	2003 – 2019	4,985

Name and Present Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Held, Directly and Indirectly
George Weber <sup>(1)(2)(3)(4)</sup> , Ontario, Canada President, WEBX Consulting Ltd.	2012 – 2019	3,400
Ray Basler, Saskatchewan, Canada Consultant	2005 – 2019	39,014
Kevin Ford, Ontario, Canada President and Chief Executive Officer of the Corporation	2015 – 2019	20,342
Jo-Anne Poirier <sup>(1)(2)(3)</sup> , Ontario, Canada President and CEO, VON Canada	2016 – 2019	231
Young Park <sup>(1)(2)(3)</sup> , Ontario, Canada Consultant	2017 – 2019	114

(1) Member of the Audit Committee of the Board

(2) Member of the Compensation Committee of the Board

(3) Member of the Governance Committee of the Board

(4) Member of the Nominating Committee

(5) Chairman of the Board

(6) 30 of these common shares are held indirectly by Mystic Financial Corporation, a corporation controlled by Mr. Loeb

**Management does not contemplate that any of the nominees listed above will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's Common Shares are to be withheld from voting in the election of the initial nominee who is unable to serve as a director.**

The above-mentioned persons have held the principal occupations set below their names or other management functions within their respective organizations for at least the last five years except for:

- Ray Basler, who was President and Chief Executive Officer of Calian Group Ltd. until March 31, 2015;
- Kevin Ford, who was the Vice President and General Manager, Business and Technology Services division of Calian Group Ltd. from October 1, 2010 to March 31, 2015; and
- Young Park was Executive VP and CIO for D+H from September 2012 to June 2016.
- George Weber was President and Chief Executive Officer of Royal Ottawa Health Care Group until August 2018.

Other than as described below:

- a) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the propose director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- c) no proposed director is, or has been within 10 years before the date of this Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and
- d) no proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for said proposed director.

Jo-Anne Poirier is the President and CEO of VON Canada Group, which includes Victorian Order of Nurses for Canada ("VON Canada"), Victorian Order of Nurses for Canada, Eastern Region ("VON East") and Victorian Order of Nurses for Canada- Western Region ("VON West"). The Ontario Superior Court of Justice granted an initial order under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") on November 25, 2015, staying all claims and actions against VON Canada, VON East and VON West and its assets, and allowing these entities to prepare a plan of compromise or arrangement for its creditors. The plans of arrangement for these three legal entities received a favourable vote from the creditors and Ontario Superior Court of Justice granted these three legal entities a Sanction Order for their respective plans of arrangement and compromise on November 23, 2016. In January 2017, the VON Canada, East and West emerged from CCAA protection. VON Ontario and Nova Scotia continue to operate as well and were not part of the CCAA process.

### **Directors' Attendance**

For the 12-month period ended September 30, 2019, the Board met seven times, the Audit Committee met four times, the Compensation Committee met three times, the Governance Committee met twice, and the Nominating Committee met once. Compensation and governance issues are also discussed during the quarterly Board meetings with all the Board members present. All directors were present at all Board meetings and all committee members were present at all committee meetings either by phone or in person during the 12-month period ended September 30, 2019, with the exception of one special meeting of the Board at which Jo-Ann Poirier was not present.

### **Majority Voting Policy**

The Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the applicable shareholders' meeting. Following receipt of resignation, the Governance Committee will consider whether to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose in a news release their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable. The Board shall accept the resignation absent exceptional circumstances. 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 Governance Committee at which the resignation is considered.

## **APPOINTMENT OF AUDITORS**

At the Meeting shareholders will be asked to reappoint Deloitte LLP as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration. Deloitte LLP was first appointed as the Corporation's auditors on March 25, 1991.

It is intended that the Proxies solicited hereby (unless the shareholder directs its Common Shares to be withheld from voting in the appointment of auditors) shall be voted for the re-appointment of Deloitte LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors' remuneration.

## **REAPPROVAL AND CONFIRMATION OF 2016 STOCK OPTION PLAN**

Pursuant to the rules of the TSX, the unallocated options, rights or other entitlements under a TSX listed issuer's security-based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the 2016 Stock Option Plan), must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. Since the Corporation's 2016 Stock Option Plan (the "**2016 Stock Option Plan**"), does not have a fixed number of

Common Shares issuable, the Corporation is seeking shareholder approval at the Meeting of the 2016 Stock Option Plan and all of the unallocated options issuable thereunder.

The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options granted pursuant to the 2016 Stock Option Plan, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time.

See below under the heading "Securities Authorized For Issuance Under Equity Compensation Plans" for a summary of the currently outstanding options and the current availability for additional grants.

A copy of the complete 2016 Stock Option Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies are also available from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8. Reference is also made to the heading "Securities Authorized for Issuance Under Equity Compensation Plans – 2016 Stock Option Plan" of this Circular for a description of the material terms of the 2016 Stock Option Plan.

The 2016 Stock Option Plan and the unallocated options thereunder were approved by shareholders on February 3, 2017 at the Annual and Special Meeting of Shareholders. An ordinary resolution will be placed before shareholders at the Meeting to reconfirm the 2016 Stock Option Plan and approve the unallocated options thereunder. There have been no amendments to the 2016 Stock Option Plan as last ratified by shareholders on February 3, 2017.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the 2016 Stock Option Plan until the Corporation's 2023 annual shareholders meeting.

If approval is not obtained at the Meeting, options which have not been allocated as of February 3, 2020 (the third anniversary of the last shareholder approval of the 2016 Stock Option Plan) and options which are outstanding as of February 3, 2020 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution. The granting of options has been a successful strategy used by the Corporation to attract and retain qualified employees and the loss of this incentive element from the overall employee compensation arrangements would be significant.

At the Meeting shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the 2016 Stock Option Plan Resolution set out in Appendix 3 to this Circular (the "**2016 Stock Option Plan Resolution**"). To be effective, the 2016 Stock Option Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

**The Board recommends to the shareholders that they approve the 2016 Stock Option Plan Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the 2016 Stock Option Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.**

#### **REAPPROVAL AND CONFIRMATION OF 2016 RESTRICTED SHARE UNIT PLAN**

Pursuant to the rules of the TSX, the unallocated options, rights or other entitlements under a TSX listed issuer's security-based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the 2016 Restricted Share Unit Plan), must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. Since the Corporation's 2016 Restricted Share Unit Plan (the "**2016 Restricted Share Unit Plan**"), does not have a fixed number of Common Shares issuable thereunder, the Corporation is seeking shareholder approval at the Meeting of the 2016 Restricted Share Unit Plan and all of the unallocated restricted share units ("**RSUs**") issuable from treasury thereunder.

The maximum aggregate number of Common Shares that may be issued pursuant to the RSUs granted pursuant to the 2016 Restricted Share Unit Plan, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time.

A copy of the complete 2016 Restricted Share Unit Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies are also available from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa,

Ontario K2V 1C8. Reference is also made to the heading “Securities Authorized for Issuance Under Equity Compensation Plans – Restricted Share Unit Plan” of this Circular for a description of the material terms of the 2016 Restricted Share Unit Plan.

The 2016 Restricted Share Unit Plan and the unallocated RSUs thereunder were approved by shareholders on February 3, 2017 at the Annual and Special Meeting of Shareholders. An ordinary resolution will be placed before shareholders at the Meeting to reconfirm the 2016 Restricted Share Unit Plan and approve the unallocated RSUs thereunder. There have been no amendments to the 2016 Restricted Share Unit Plan as last ratified by shareholders on February 3, 2017.

See below under the heading “Securities Authorized For Issuance Under Equity Compensation Plans” for a summary of the currently outstanding RSUs and the current availability for additional grants.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated RSUs under the 2016 Restricted Share Unit Plan until the Corporation’s 2023 annual shareholders meeting.

If approval is not obtained at the Meeting, RSUs which have not been allocated as of February 3, 2020 (the third anniversary of the last shareholder approval of the 2016 Restricted Share Unit Plan) and RSUs which are outstanding as of February 3, 2020 and are subsequently terminated will not be available for a new grant of RSUs. Previously allocated RSUs will continue to be unaffected by the approval or disapproval of the resolution. The granting of RSUs has been a successful strategy used by the Corporation to attract and retain qualified employees and the loss of this incentive element from the overall employee compensation arrangements would be significant.

At the Meeting shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the 2016 Restricted Share Unit Plan Resolution set out in Appendix 7 to this Circular (the “**2016 Restricted Share Unit Plan Resolution**”). To be effective, the 2016 Restricted Share Unit Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

**The Board recommends to the shareholders that they approve the 2016 Restricted Share Unit Plan Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the 2016 Restricted Share Unit Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.**

#### **APPROVAL OF 2020 EMPLOYEE SHARE PURCHASE PLAN**

Shareholders of the Corporation will be asked at the Meeting to consider and, if thought fit, pass a resolution in the form set out in Appendix 4 to this Management Proxy Circular to approve, ratify and confirm the adoption of the Corporation’s 2020 Employee Share Purchase Plan (the “**2020 ESPP**”).

A copy of the complete 2020 ESPP is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies are also available free of charge from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8. Shareholders are encouraged to review the full text of the 2020 ESPP prior to voting at the Meeting.

The ESPP was unanimously approved by the Board on November 25, 2019, subject to and effective upon receipt of all necessary regulatory approvals and shareholder approval. The form of the 2020 ESPP was approved by the TSX on December 3, 2019.

For the 2020 ESPP to come into effect, the resolution approving the 2020 ESPP, as set out below, must be approved by a majority of the votes cast at the Meeting.

The 2020 ESPP will be open for participation to all employees (including directors and officers who are under a permanent full-time or part-time contract of employment with the Corporation) of the Corporation and any subsidiary subject to certain provisions contained within the 2020 ESPP. The purpose of the 2020 ESPP is to give employees of the Corporation access to an equity participation vehicle in addition to the Plan by way of an opportunity to purchase Common Shares through payroll deductions and encourage them to use their combined best efforts on behalf of the Corporation to improve its profits through increased sales, reduction of costs and increased efficiency.

The 2020 ESPP, if approved by Shareholders, will replace and supercede the Corporation's existing employee stock purchase plan (see below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans – Employee Stock Purchase Plan" for details). If the 2020 ESPP is not approved by Shareholders, the existing employee stock purchase plan will continue in effect.

## Summary

The following is a summary of the principal terms of the 2020 ESPP that is qualified in its entirety by reference to the text of the 2020 ESPP. The effective date (the "**Effective Date**") of the 2020 ESPP will be February 1, 2020, subject to approval by shareholders of the Corporation at the Meeting.

Pursuant to the 2020 ESPP, 500,000 Common Shares (approximately 6.28% of the issued and outstanding Common Shares) will be reserved for issuance. All Common Shares purchased or issued pursuant to the 2020 ESPP will come from the treasury of the Corporation.

The Board will have full power and authority to administer the 2020 ESPP on behalf of the Corporation, including the power and authority to delegate the administration of the 2020 ESPP to the Compensation Committee. The Board shall determine questions of interpretation or application of the 2020 ESPP and its decisions shall be final and binding on all participants. Board members will receive no additional compensation for their services in administering the 2020 ESPP.

Eligible employees become participants in the 2020 ESPP by delivering to the Corporation an election to purchase shares prior to the commencement of the applicable purchase period. Each participant shall contribute to the 2020 ESPP, at the participant's option, a minimum of one percent (1%) of the participant's basic compensation, and a maximum of ten percent (10%) of the participant's basic compensation. Each participant in the plan shall also be entitled, up to once per year, to contribute an additional lump sum amount of up to ten percent (10%) of the participant's basic compensation contributed through a payroll deduction against commissions, bonus payments or other non-basic compensation. The contributions shall be made through payroll deductions at the end of each employee's bi-weekly or monthly pay period, as applicable. The Corporation, as agent of the participant, shall make such deductions.

On the last business day of each month, the Corporation will issue Common Shares from treasury to the Administrator (as defined in the 2020 ESPP) based on the contributions received from each participant during the preceding month (the "**Participant Shares**"). The purchase price of the Participant Shares will be the volume weighted average closing trading price of the Common Shares on the TSX for the five trading days immediately preceding the last business day of such month. The Administrator will deposit the Participant Shares into an account in the name of the participant and will hold such shares on behalf of such participant.

The Corporation will match a portion of each employee's participation in the 2020 ESPP by issuing additional Common Shares to each participant (through the Administrator). Specifically, on the last business day of each month, the Corporation will issue to the Administrator that number of Common Shares (the "**Matching Shares**") equal to twenty-five percent (25%) of the aggregate number of Participant Shares issued to the Administrator on behalf of the participants for such month. The Matching Shares will be deposited into a trust account by the Administrator on behalf of the Corporation.

The Participant Shares purchased on behalf of each participant will vest immediately to the benefit of such participant. Subject to provisions in the 2020 ESPP relating to a change in control of the Corporation, the Matching Shares will vest six months from the date of issuance of such Matching Shares.

In the event of a change of control of the Corporation, the Board, in its sole discretion (but subject to obtaining the prior approval of the TSX if required by the rules, regulations and policies of the TSX) may, without any action or consent of the participants in the 2020 ESPP, provide for: (a) the continuation of the vesting period with regard to any unvested Matching Shares; (b) the substitution of any unvested Matching Shares for shares of the acquirer; (c) the substitution of any unvested Matching Shares with a cash incentive program of the acquirer; (d) the acceleration of the vesting period to a date prior to or on the date of the change of control; (e) the cancellation of all or any portion of any unvested Matching Shares by a cash payment and/or other consideration receivable by the holders of any unvested Matching Shares as a result of the change in control equal to the market price of the unvested Matching Shares on the date of the change in control; or (f) such other actions or combinations of the foregoing actions as it deems fair and reasonable in the circumstances.

Upon the termination of employment of any participant for any reason, any unvested Matching Shares held by the Administrator for such participant will be forfeited by such participant. A participant whose employment is terminated for any reason other than death must withdraw or otherwise transfer all of their Participant Shares and vested Matching Shares in such participant's account within ninety (90) days of such termination of employment. The participant may also request that the Administrator sell the Participant Shares and vested Matching Shares in the participant's account and distribute the cash proceeds to the participant. In the event of the death of a participant, the Participant Shares and vested Matching Shares in such participant's account shall be distributed to such participant's estate in accordance with the instructions of such participant's legal representative. Such distribution may take the form of a distribution of the cash realized from the sale of such Participant Shares and vested Matching Shares by the Administrator if so requested by the legal representative of the participant's estate.

The Corporation reserves the right to discontinue use of payroll deductions at any time such action is deemed advisable. The 2020 ESPP will terminate on the date which is ten (10) years from the Effective Date, unless earlier terminated by the Board. No right or interest of any participant in or under the 2020 ESPP may be assigned by such participant.

No Common Shares are issuable under the 2020 ESPP at any time to any Insider (as such term is defined in the 2020 ESPP) if such issuance, together with all of the Corporation's previously established or proposed Share Compensation Arrangements (as such term is defined in the 2020 ESPP), including the 2020 ESPP, could result, at any time, in: (i) the number of Common Shares issued to Insiders pursuant to the 2020 ESPP, together with all of such other security-based compensation arrangements, within any one (1) year period exceeding nine percent (9%) of the issued and outstanding Common Shares; or (ii) the number of Common Shares issuable to Insiders at any time pursuant to the 2020 ESPP and all such other security-based compensation arrangements exceeding nine percent (9%) of the issued and outstanding Common Shares.

Amendments to the 2020 ESPP generally require the consent of the TSX and the shareholders of the Corporation given at a duly constituted meeting. However, certain amendments to the 2020 ESPP may be made by the Board without TSX or other stock exchange approval and without shareholder approval including but not limited to the following: (a) amendments of a technical, clerical or "housekeeping" nature, or to clarify any provision of the 2020 ESPP, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the 2020 ESPP or to correct or supplement any provision of the 2020 ESPP that is inconsistent with any other provision of the 2020 ESPP; (b) suspension or termination of the 2020 ESPP; (c) amendments to respond to changes in legislation, regulations, instruments (including National Instrument 45-106), stock exchange rules (including the rules, regulations and policies of the TSX) or accounting or auditing requirements; (d) amendments respecting administration of the 2020 ESPP; (e) any amendment to the definition of "Employee" in the 2020 ESPP; (f) any amendment to the definition of "Subsidiary" in the 2020 ESPP; (g) changes to the vesting provisions for any outstanding Unvested Matching Shares (as defined in the 2020 ESPP); (h) amendments to the participant contribution provisions of the 2020 ESPP; (i) amendments to the withdrawal and suspension provisions of the 2020 ESPP; (j) amendments to the termination provisions of the 2020 ESPP; (k) adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of the Corporation; and (m) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules, regulations and policies of the TSX.

Shareholder approval will be required for the following types of amendments of the 2020 ESPP: (a) amendments to the number of common shares issuable under the 2020 ESPP, including an increase to the fixed maximum number of common shares or a change from a fixed maximum number of common shares to a fixed maximum percentage; (b) amendments to the number or percentage of Matching Shares contributed by the Corporation; (c) amendments to the definition of "Purchase Price" (as defined in the 2020 ESPP) to introduce a discount; and (d) amendments required to be approved by shareholders under applicable law or the rules, regulations and policies of the TSX.

### **Recommendation of the Board of Directors**

**The directors of the Corporation have determined that the 2020 ESPP is in the best interests of the Corporation and its shareholders. Therefore, the directors of the Corporation recommend that all shareholders vote FOR the approval of the 2020 ESPP.**

### **APPROVAL OF 2020 SHAREHOLDER RIGHTS PLAN**

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation, the Rights Plan Resolution in the form attached as Appendix 6 approving the 2020 Shareholder Rights Plan.

A copy of the complete 2020 Shareholder Rights Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies are also available free of charge from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8.

## **Background**

The Corporation and AST Trust Company (Canada) (the “**Rights Agent**”) entered into a 2020 Shareholder Rights Plan Agreement dated as of December 11, 2019 (the “**2020 Shareholder Rights Plan**”). The 2020 Shareholder Rights Plan provides a right (which may only be exercised if a person acquires control of 20% or more of the Common Shares) for each shareholder, other than the person that acquires 20% or more of the Common Shares, to acquire additional Common Shares at one-half of the market price at the time of exercise. This significantly dilutes the share position of the person that acquires 20% or more of the Common Shares and practically prevents that person from acquiring control of 20% or greater of the Common Shares unless the rights plan has been withdrawn or the buyer makes a Permitted Bid (as defined in the 2020 Shareholder Rights Plan).

The most common approaches that a buyer may take to have a rights plan withdrawn are to negotiate with the Board of Directors to have the rights plan waived, or to apply to a securities commission to order withdrawal of the rights plan if the Corporation cannot develop an auction. Both of these approaches will give the Board of Directors more time and control over any sale process and increase the likelihood of a better offer to the Corporation’s shareholders. See “Objectives of the 2020 Shareholder Rights Plan” below.

## **Summary of the 2020 Shareholder Rights Plan and Copy of the 2020 Shareholder Rights Plan**

A summary of the key features of the 2020 Shareholder Rights Plan is attached as Appendix 5 hereto. All capitalized terms used in this section of the Circular and Appendix 5 have the meaning set forth in the 2020 Shareholder Rights Plan unless otherwise indicated. The complete text of the 2020 Shareholder Rights Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the 2020 Shareholder Rights Plan is also available free of charge to any shareholder on request from the Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8.

## **Objectives of the 2020 Shareholder Rights Plan**

The 2020 Shareholder Rights Plan is not being adopted in response to or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. As of the date of this Circular, the Board of Directors is not aware of any third party considering or preparing any proposal to acquire control of the Corporation. In approving the 2020 Shareholder Rights Plan, the Board of Directors considered that while existing securities legislation has addressed many concerns relating to sufficient timing to assess a bid and its alternatives or of unequal treatment of shareholders, there remains the possibility that control or effective control of an issuer may be acquired pursuant to a private agreement in which a small group of securityholders dispose of their securities at a premium to market price which premium is not shared with other securityholders. For example, a bidder could acquire blocks of shares by private agreement from one or a small group of shareholders at a premium to market price which is not shared with the other shareholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control or effective control without payment of fair value for control or a fair sharing of a control premium among all securityholders. These are generally known as “creeping bids” or “exempt bids”.

The 2020 Shareholder Rights Plan addresses these concerns by applying to all acquisitions of greater than 20% of the Common Shares, including those acquisitions that are not subject to the formal take-over bid rules under Canadian securities laws, to better ensure that shareholders receive equal treatment. In addition, existing securities legislation and existence of the 2020 Shareholder Rights Plan continue to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Common Shares, the Board of Directors has sufficient time to assess alternatives for maximizing shareholder value as it considers in its judgment to be in the best interests of the Corporation, including: continued implementation of the Corporation’s long-term strategic plans, as these may be modified by the Corporation from time to time; to provide adequate time for competing bids to emerge; to ensure that shareholders have an equal opportunity to participate in such a bid and to give them adequate time to properly assess the bid; and lessen the pressure to tender typically encountered by a securityholder of an issuer that is subject to a bid.

The 2020 Shareholder Rights Plan in no way prohibits a change of control of the Corporation in a transaction that is fair and in the best interests of all shareholders of the Corporation. The rights of shareholders 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 2020 Shareholder Rights Plan. The approval of the 2020 Shareholder Rights Plan does not affect the duty of a director to act honestly and in good faith with a view to the best interests of the Corporation.

### **General Impact of the 2020 Shareholder Rights Plan**

It is not the intention of the Board of Directors, in approving the 2020 Shareholder Rights Plan, to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interests of the Corporation and its shareholders. For example, through the Permitted Bid mechanism, described in more detail in the summary contained in Appendix 5 hereto, shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the 2020 Shareholder 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 Common Shares in any exercise of its discretion to waive application of the 2020 Shareholder 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 2020 Shareholder Rights Plan does not preclude any shareholder from utilizing the proxy mechanism under the *Canada Business Corporations Act* and securities laws to promote a change in the management or direction of the Corporation, or its Board of Directors, and has no effect on the rights of holders of outstanding Common Shares 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 2020 Shareholder Rights Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregation of holdings of institutional shareholders and their clients.

The 2020 Shareholder Rights Plan will 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 summary, the Board of Directors believes that the dominant effect of the 2020 Shareholder Rights Plan will be to maximize the Corporation’s opportunity to enhance shareholder value and ensure equal treatment of all shareholders in the context of a bid for control of the Corporation.

### **Vote Required**

Shareholder approval of the 2020 Shareholder Rights Plan is not required by law but is required by applicable stock exchange rules and must be approved by shareholders at every third annual meeting of shareholders.

The 2020 Shareholder Rights Plan must be approved by (i) a simple majority of the votes cast in favour of the Rights Plan Resolution by all shareholders, whether in person or by proxy; and (ii) a simple majority of the votes cast in favour of the Rights Plan Resolution by the Independent Shareholders (as defined in the 2020 Shareholder Rights Plan), whether in person or by proxy.

An “Independent Shareholder” is generally any shareholder other than an “Acquiring Person” (as defined in the 2020 Shareholder Rights Plan) and its associates and affiliates. As of the date of this Circular, the Corporation is not aware of any shareholder that would not be considered an Independent Shareholder, and therefore it is anticipated that all shareholders will be eligible to vote their Common Shares on the Rights Plan Resolution.

If the Rights Plan Resolution is passed at the Meeting, then the 2020 Shareholder Rights Plan will continue in effect and will next require reconfirmation by shareholders at the 2023 annual meeting of shareholders. If the Rights Plan Resolution is not passed at the Meeting, the 2020 Shareholder Rights Plan will expire and cease to have effect at the termination of the Meeting.

### **Recommendation of the Board of Directors**

The Board of Directors has reviewed the 2020 Shareholder Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plan design. Based on its review, the Board of Directors has determined that it is advisable and in the best interests of the Corporation and its shareholders that the Corporation have in place a shareholder rights plan in the form of the 2020 Shareholder Rights Plan. On November 25, 2019, the Board of Directors resolved to adopt the 2020 Shareholder Rights Plan, subject to regulatory approval and approval by the shareholders at the Meeting.

**Accordingly, the Board of Directors unanimously recommends a vote “for” the 2020 Shareholder Rights Plan Resolution.**

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 the Rights Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Rights Plan Resolution.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis and the following tables and narratives set forth below present information regarding the compensation of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Senior VP of Corporate Development and the Vice-President and General Manager of the Advanced Technologies division (the “Named Executive Officers” or “NEOs”), who represent the most highly compensated executive officers of the Corporation who earned more than \$150,000 in total compensation during the fiscal year ended September 30, 2019 in accordance with the National Instrument 51-102 of the Canadian Securities Administrators.

#### **Executive Summary**

The financial strength of the Corporation that has been cultivated under the current executive team has enabled the Corporation to maintain sufficient liquidity and financial flexibility to continue delivering a high return to shareholders along with a healthy dividend. The performance of the Corporation is measured by earnings performance. Based on this performance, the Board approved compensation to NEOs as described below. Looking ahead to 2020, attraction and retention of critical talent, including executive expertise, remains a focus. The Board believes that the Corporation is well positioned to continue to execute on its plans.

#### **Objectives of the Compensation Program**

The Board has adopted a pay for performance philosophy and executive compensation program whereby executives receive compensation based upon the market value of the type of job they perform and their level of individual performance. The Corporation’s policy with respect to the compensation of NEOs is intended to:

- Seek to align management’s interest with shareholder interest through both short and long-term incentives linking compensation to performance. The short-term incentive is in the form of cash incentives while the longer-term incentive is in the form of stock options and restricted share units which create a direct correlation between variations in the Corporation’s stock price and the compensation of NEO’s.
- Ensure that overall compensation for NEOs is not only internally equitable, but also competitive in today’s market based on experience and length of service with the Corporation to attract, retain and motivate individuals with the qualifications and commitment needed to enhance shareholder value and maintain the Corporation’s competitiveness in its market segment.

### **COMPENSATION GOVERNANCE**

#### **Compensation Committee**

The Compensation Committee comprises the following 5 independent directors: Kenneth Loeb, Richard Vickers, George Weber (chair), Jo-Anne Poirier and Young Park, each of whom the Board has determined to be independent within the meaning of Section 1.4 of National Instrument 52-110 of the Canadian Securities Administrators, and to have the necessary knowledge and experience to effectively perform his or her responsibilities. The members of the Committee have expertise in, among other areas, business management and finance, and all of whom are current or former principal executive officers.

The Compensation Committee's mandate includes reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives is determined by the Chief Executive Officer.

### **Risk Assessment**

Risk management begins with an active Board and management team engaged in analysing many risks the Corporation faces and working with Corporation leaders to manage those risks. Compensation programs can help mitigate risk-taking, but risks cannot be solely managed through these incentive plans. In connection with the adoption of the annual objectives for 2019, the Compensation Committee considered the extent to which the incentive plans could potentially incentivize unnecessary or inappropriate risk-taking or short-term decision making.

The Corporation's compensation philosophy addresses both short and long-term performance. The Compensation Committee believes that certain tools and policies mitigate the potential for executives to take excessive short-term risks at the expense of the long-term health of the Corporation. Short-term compensation is based only on profitability achieved, which is compared to the annual business plan reviewed as part of the Audit Committee review of financial results for each division; and is only paid to executives after the audited annual results are approved by the Board. In addition, overall compensation risks are further mitigated through the business planning process as annual and strategic plans are reviewed in detail by the Board with a focus on creating long-term value. Finally, the board can exercise judgment in giving compensation when special circumstances dictate that the current incentive plans do not align with the overall performance objectives of the Corporation.

The Compensation Committee considers that the processes in place, including mitigating factors, are effective and based on its review, does not believe that the compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.

### **Summary of Compensation Elements**

The Corporation believes that the following elements of compensation, when combined, provide an appropriate mix of conventional and incentive-based compensation. The following describes the Corporation's compensation elements and philosophy for the year ended September 30, 2019.

Element	Purpose
Base salary	Provide a fixed level of compensation for performing day-to-day responsibilities, competency and for attraction and retention.
Short-term incentive plan	Provide a competitive, performance-based cash award based on earnings.
Option and Restricted Share Unit awards	Both options and restricted share units are issued under the 2016 plans to enable management and executives to share in the long-term success of the Corporation.

For fiscal 2019, base salaries were determined based on outside market data as well as individual performance and experience level. The annual bonus paid to each of the Chief Executive Officer, the Chief Financial Officer, the Chief Information Officer and the Senior VP of Corporate Development is based on the overall operating profitability of the Corporation. Annual bonuses are also paid to the senior managers of the Corporation based on a percentage of divisional profitability and individual performance. Certain members of the executive team are primarily responsible for the financial performance of a specific division. During the year ended September 30, 2019, Mr. Patrick Thera was responsible for the performance of the Corporation's Advanced Technologies segment, and Mr. Kevin Ford, in addition to his responsibilities as Chief Executive Officer, continued to be responsible for the performance of the Corporation's Health, Information Technology and Learning Segments.

In establishing levels of compensation, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation.

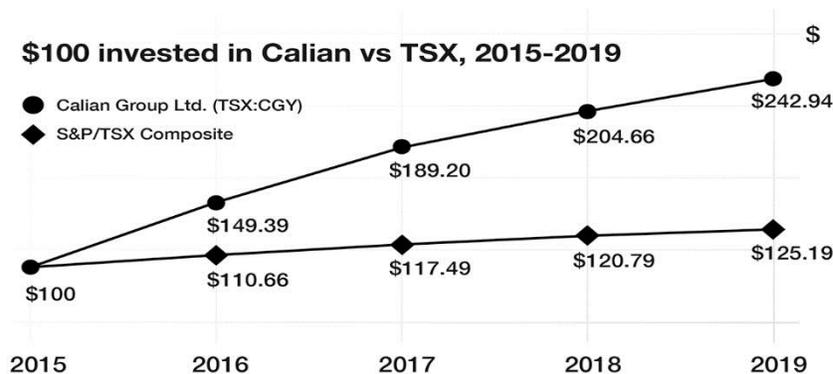
The Compensation Committee ultimately determines the grant size and terms to be recommended to the Board in respect of the Chief Executive Officer. The CFO and Corporate Secretary, Patrick Houston, is responsible for oversight of the equity plans. Any plan or material change to existing plan must be approved by the board of directors and, if applicable, shareholders, but from time to time the CFO and Corporate Secretary must update the plan for minor changes as required. When any change to the plan or plan text is made, the compensation committee must approve.

#### Trading Policy:

NEOs and directors are not permitted to speculate on the Corporation's securities and therefore are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by NEOs or directors.

#### **Performance Graph**

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Total Return Index for the five-year period ended September 30, 2019. The following graph assumes \$100 was invested on September 30, 2015 and assumes the reinvestment of all dividends received.



The trend shown by the performance graph above represents a growth of 143% in the cumulative shareholder return from 2015 to 2019. Over the same period the total compensation received by the NEOs in aggregate, increased by 80%.

#### **SUMMARY COMPENSATION TABLE** (all Canadian dollar amounts rounded to nearest dollar)

The following table sets forth all compensation earned by each Named Executive Officer for each of the Corporation's three most recent completed financial years.

Name and Principal Position	Year	Salary	Share-based awards (9)	Option-based awards (9)	Non-equity incentive plan compensation(1)		Pension Value	All Other Compensation (3)	Total Compensation
					Annual incentive plan	Long-term incentive plans			
Kevin Ford <sup>(4)(5)</sup> President and Chief Executive Officer	2019	\$418,000	\$148,776 <sup>(2)</sup>	-	\$360,075	-	-	-	\$926,851
	2018	\$410,000	\$85,000	-	\$363,385	-	-	-	\$858,385
	2017	\$336,000	\$50,625	-	\$460,100	-	-	-	\$846,725
Patrick Houston <sup>(7)</sup> Chief Financial Officer and Corporate Secretary	2019	\$180,137	\$75,400 <sup>(10)</sup>	-	\$130,707	-	-	-	\$386,244
Jacqueline Gauthier <sup>(5)(8)</sup> Senior Vice President, Corporate Development	2019	\$310,620	-	-	\$263,175	-	-	-	\$573,795
	2018	\$296,200	\$27,000	-	\$239,725	-	-	-	\$562,925
	2017	\$296,200	\$34,295	-	\$306,150	-	-	-	\$556,945

Name and Principal Position	Year	Salary	Share-based awards (9)	Option-based awards (9)	Non-equity incentive plan compensation(1)		Pension Value	All Other Compensation (3)	Total Compensation
					Annual incentive plan	Long-term incentive plans			
Patrick Thera (6) Vice President and General Manager Systems Engineering	2019	\$280,745	\$74,520(2)	-	\$179,558	-	-	-	\$534,823
	2018	\$275,240	\$27,000	-	\$192,645	-	-	-	\$494,885
	2017	\$275,240	\$34,295	-	\$295,000	-	-	-	\$522,445
Jerry Johnston (4) Chief Information Officer	2019	\$225,726	\$41,760(2)	-	\$143,266	-	-	-	\$410,752
	2018	\$221,300	\$17,900	-	\$171,885	-	-	-	\$411,085

(1) Non-equity incentive plan compensation accrued during the fiscal year and payable in cash within two months of the fiscal year-end.

(2) The compensation costs related to the issuance of share-based awards in the form of stock options and restricted share units granted in November 2018 based on fair values of a share price of \$3.96 and \$29.55, respectively.

(3) Unless otherwise indicated, perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus of the Named Executive Officer.

(4) Jerry Johnston was appointed as the Chief Information Officer on at March 1, 2018. Prior to that date, Mr. Johnston was Vice-President Training and Engineering Services

(5) The STI for 2019 was calculated based on a 105% attainment of the corporation budgeted EBIT.

(6) The STI for 2018 was calculated based on a 83% attainment of the SED division budgeted EBIT.

(7) Patrick Houston was appointed as the Chief Financial Officer and Corporate Secretary on March 1, 2019.

(8) Jacqueline Gauthier was appointed Senior Vice President on March 1, 2019. Prior to that date, Mrs. Gauthier was Chief Financial Officer and Corporate Secretary.

(9) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes. This is the case for share-based awards in the form of stock options. For share-based awards in the form of restricted share units, the close price on the business day prior to the date of grant is used as the fair value of the awards as it is the methodology also used for accounting purposes.

(10) The compensation costs related to the issuance of share-based awards in the form of stock options and restricted share units granted in February 2019 based on fair values of \$3.95 and \$29.06, respectively.

## INCENTIVE PLAN AWARDS

### 1. Outstanding share-based and option-based awards

The following table sets out all of the option-based and share-based awards outstanding for each of the Named Executive Officers as at September 30, 2019.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options(1) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested(2) (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin Ford	15,600	\$29.55	November 19, 2023	\$86,892	2,900	\$101,848	N/A
	15,600	\$34.58	November 24, 2022	\$8,424	1,740	\$61,109	
	6,200	\$17.69	September 9, 2020	\$108,066	620	\$21,774	

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Houston	9,000	\$29.06	February 8, 2024	\$54,540	675	\$23,706	N/A
Jacqueline Gauthier	12,000	\$34.58	November 24, 2022	\$6,480	560 420	\$19,667 \$14,750	N/A
Patrick Thera	12,000 12,000	\$29.55 \$34.58	November 19, 2023 November 24, 2022	\$66,840 \$6,480	900 560 420	\$31,608 \$19,667 \$14,750	N/A
Jerry Johnston	6,000 6,000	\$29.55 \$34.58	November 19, 2023 November 24, 2022	\$33,420 \$3,240	600 370 185	\$21,072 \$12,994 \$6,497	N/A

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2019 and the exercise price of such options.

(2) Calculated based on the market value of the shares underlying the awards at the end of the fiscal year ended September 30, 2019.

## 2. Incentive Plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the Named Executive Officers or vested in their favour during the financial year ended September 30, 2019.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based Awards – Value vested in the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kevin Ford	\$336	\$43,091	\$360,075
Patrick Houston	Nil	NIL	\$130,707
Jacqueline Gauthier	Nil	\$20,244	\$263,175
Patrick Thera	\$240	\$20,244	\$179,558
Jerry Johnston	\$120	\$10,700	\$143,266

(1) Calculated based on the difference between the market value of the shares underlying the options at the date of vesting and the exercise price of such option.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	287,136 <sup>(1)</sup>	\$30.57	426,495

(1) These securities include Common Shares issuable under the Corporation's 2012 and 2016 Stock Option Plans and Common Shares issuable under the Corporation's 2016 Restricted Share Unit Plan (see discussion below) but do not include Common Shares authorized for issuance pursuant to the Purchase Plan (as defined below). Under the Purchase Plan, the Corporation expects to issue approximately 30,270 Common Shares in February 2020 at a purchase price of approximately \$24.74 per share, following which approximately 207,343 Common Shares will be available for issuance under the Purchase Plan, all in accordance with the terms and conditions thereof as disclosed to and approved by the Corporation's shareholders on February 5, 2016.

The table below provides further detail on the number of securities authorized for issuance under equity compensation plans as at December 9, 2019:

Total number of Common Shares available for issuance pursuant to the Corporation's security-based compensation arrangements, being 9% of the outstanding Common Shares:	716,406
Common Shares issuable pursuant to options outstanding under the 2012 Stock Option Plan:	500
Common Shares issuable pursuant to options outstanding under the 2016 Stock Option Plan:	246,200
Common Shares issuable pursuant to options outstanding under the 2016 Restricted Share Unit Plan:	56,909
Total number of Common Shares remaining available for issuance pursuant to the Corporation's security-based compensation arrangements, including any issuance under the Purchase Plan (or 2020 ESPP if approved), after deducting the foregoing:	412,797

### 2012 Stock Option Plan

On August 8, 2012, the Corporation established the 2012 Stock Option Plan, which was approved by the shareholders of the Corporation on February 8, 2013 and replaced the Corporation's previous stock option plan. At the 2015 annual and special meeting of the Corporation's shareholders, the shareholders did not re-approve and renew the Stock Option Plan. Accordingly, while allocated options under the Stock Option Plan continued to remain outstanding in accordance with their terms, the Corporation has ceased to grant options under the Stock Option Plan.

### 2016 Stock Option Plan

On November 9, 2016, the Corporation established the 2016 Stock Option Plan, which was approved by the shareholders of the Corporation on February 3, 2017. The 2016 Stock Option Plan is administered by the Compensation Committee, which has the authority to select those directors and employees to whom options are granted, the number of options to be granted to each director and employee and the price at which Common Shares underlying such options may be purchased, provided that such price is not less than the market price of the Common Shares on the business day immediately preceding the date the option is granted. If the option is granted during a blackout period, the exercise price shall be equal to the greater of (i) the

market price of the Common Shares on the business day immediately prior to the date of grant, and (ii) the post-blackout period price following the end of such blackout period, which is calculated based on a five-day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “TSX”). Options granted under the 2016 Stock Option Plan are generally non-transferable and each option, unless terminated pursuant to the 2016 Stock Option Plan, expires on a date determined by the Compensation Committee, which date will not be later than 10 years from the date the option was granted (unless the expiry falls during or within nine business days of the expiration of a blackout period, in which case the expiry date shall instead be 10 business days following the date the blackout period is lifted, terminated or removed).

Unless otherwise determined by the Compensation Committee, one-third of any option shall vest and may be exercised following each anniversary of the date of an option grant. The Compensation Committee may by written notice to any participant accelerate the vesting of all or any portion of any option.

The vesting of any or all outstanding options of a participant shall be accelerated upon the occurrence of both a Change in Control (as such term is defined in the 2016 Stock Option Plan) and a termination of such holder within one year from the date of the Change in Control. Upon a Change in Control, the Compensation Committee may provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from such change in control.

Employees and directors of the Corporation are entitled to participate in the 2016 Stock Option Plan while they are engaged with the Corporation. If a participant under the 2016 Stock Option Plan dies or becomes disabled while engaged with the Corporation or retires from engagement with the Corporation, the right of that participant (or of that participant’s legal representative) to participate in the 2016 Stock Option Plan terminates as of the date of death, disability or retirement, as may be applicable, but any vested options may be exercised within 180 days of that event (unless such options terminate earlier pursuant to their terms) and any unvested options terminate immediately on the date of that event. If a participant under the 2016 Stock Option Plan is terminated by the Corporation or voluntarily resigns from the Corporation, that participant may exercise any vested options may within 30 days of that event (unless such options terminate earlier pursuant to their terms) but any unvested options terminate immediately on the date of that event.

The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options granted pursuant to the 2016 Stock Option Plan, together with the aggregate number of Common Shares issuable at that time under the Corporation’s other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time. For greater certainty, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares that may be issued pursuant to options granted under the 2016 Stock Option Plan, any Common Shares subject to an option that expires or terminates without having been fully exercised may be made the subject of a further option, and any exercises of options will make new grants available under the 2016 Stock Option Plan, effectively resulting in a “re-loading” of the number of options available to grant under the 2016 Stock Option Plan. The maximum number of Shares (i) issued to insiders of the Corporation within any one-year period, and (ii) issuable to insiders of the Corporation, at any time, under the 2016 Stock Option Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed 9% of the outstanding shares, respectively. The equity award value of any grant of options to non-employee directors under the 2016 Stock Option Plan cannot exceed \$100,000 per year per non-employee director and the equity award value of any grant of options to non-employee directors on under the plan and any other security-based compensation arrangements of the Corporation cannot exceed \$150,000 per year per non-employee director in the aggregate. The 2016 Stock Option Plan does not authorize the Corporation to provide financial assistance to participants.

The Board may at any time without shareholder approval amend any provision of the 2016 Stock Option Plan, any terms of any options granted or terminate the 2016 Stock Option Plan, including making amendments relating to the exercise of options (including by the inclusion of a cashless exercise feature), amendments deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws, amendments relating to the administration of the plan or amendments of a clerical or housekeeping nature. Notwithstanding the foregoing, shareholder approval is required to make amendments to: (a) increase the maximum number of Common Shares that may be issued under the 2016 Stock Option Plan or any increase to the insider participation limits, (b) increase the ability of the board to amend the 2016 Stock Option Plan without shareholder approval, (c) increase the limits imposed on non-director employee participation in the plan, (d) reduce the exercise price of any option, (e) extend the term of any option beyond the expiry date, (f) permit transferability or assignability other than for normal estate settlement purposes or (g) add any form of financial assistance to a participant.

At September 30, 2019, options to purchase 239,400 Common Shares (representing approximately 3.0% of the aggregate number of issued and outstanding Common Shares) were outstanding under all Stock Option Plans. At December 9, 2019, options to purchase 246,700 Common Shares (representing approximately 3.1% of the aggregate number of issued and outstanding Common Shares) were outstanding under the Stock Option Plan.

### **Restricted Share Unit Plan**

On November 9, 2016 the Corporation established the new 2016 Restricted Share Unit Plan, which was approved by the shareholders of the Corporation on February 3, 2017. The 2016 Restricted Share Unit Plan allows for the grant of RSUs to the Corporation's officers and employees.

The maximum aggregate number of Common Shares issuable from treasury by the Corporation pursuant to the 2016 Restricted Share Unit Plan at any time, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time.

The Board is responsible for administering the 2016 Restricted Share Unit Plan. Subject to the terms of the 2016 Restricted Share Unit Plan, the Corporation may from time to time award to any eligible person a number of RSUs deemed appropriate in respect of services rendered to the Corporation by such person. RSUs shall consist of an award of units, each of which represents the right to receive one Common Share or, in the discretion of the Board, a cash payment equal to the fair market value of such share. The Board has the discretion to determine the date upon which each RSU vests or any other vesting requirements provided, however, that each awarded RSU shall vest not later than the third anniversary of its award date. Unless otherwise determined by the Board at the time of award of an RSU, one third of each award of RSUs will vest on the first, second and third anniversaries of the award date.

The Board has overall authority for interpreting, applying, amending and terminating the 2016 Restricted Share Unit Plan; provided that subject to any additional requirements of the rules of the TSX, the following amendments to the 2016 Restricted Share Unit Plan or RSUs issued thereunder shall not be made without the prior approval of the TSX and approval of the Shareholders: i) other than customary adjustments resulting from certain corporate changes, amendments to the 2016 Restricted Share Unit Plan that would increase the percentage of Common Shares issuable under the 2016 Restricted Share Unit Plan, ii) any amendment that would increase the number of Common Shares issuable to insiders under the 2016 Restricted Share Unit Plan, iii) any amendment that would change the eligible participants in the plan to permit the introduction of non-employee directors on a discretionary basis; and iv) amendments to amending provision of the 2016 Restricted Share Unit Plan. The maximum number of Common Shares (i) issued to insiders of the Corporation within any one year period, or (ii) issuable to insiders of the Corporation, at any time, under the 2016 Restricted Share Unit Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed nine percent (9%) of the Corporation's total issued and outstanding Common Shares as at the applicable award date, respectively.

Certain amendments to the 2016 Restricted Share Unit Plan may be made by the Board without TSX or other stock exchange approval and without shareholder approval including but not limited to the following: 1) making any amendments to the vesting provisions of each RSU set out in any RSU agreement; ii) making any amendments to the provisions set out in Section 3.8 of the 2016 Restricted Share Unit Plan; iii) making any amendments to add covenants of the Corporation for the protection of participants in the plan, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of Participants; iv) making any amendments not inconsistent with the 2016 Restricted Share Unit Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board, having in mind the best interests of the participants in the plan, it may be expedient to make, provided that the Board shall be of the opinion that such amendments will not be prejudicial to the interests of the participants; or v) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purposes of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or correction will not be prejudicial to the rights and interests of the participants in the plan.

Holders of RSUs will be entitled to modified vesting on certain events, including termination of service without cause or by reason of death. All unvested RSUs terminate if a holder's employment or service terminates by reason of termination for cause. Subject to obtaining any requisite approval from the TSX or other regulatory authority, our Board may take any one or more actions relating to RSUs including, without limitation, accelerating vesting or providing for the conversion or exchange of any outstanding RSUs into or for RSUs or any other appropriate securities in any entity participating in or resulting from, a

change of control transaction. Except as required by law, the rights of a participant under the 2016 Restricted Share Unit Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the participant.

At September 30, 2019, 47,736 RSUs (representing approximately 0.6% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2016 Restricted Share Unit Plan. At December 9, 2019, 56,909 RSUs (representing approximately 0.7% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2016 Restricted Share Unit Plan.

### **Burn Rate**

Burn rate is defined as the total number of equity awards issued in a year, divided by the weighted average number of shares outstanding in the fiscal year. The table below summarizes the burn rates for the stock option, the restricted share unit, and the deferred share unit plans as of September 30 of each year:

<b>Burn rates</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Stock Option Plan	1.64%	1.25%	0.40%
Restricted Share Unit Plan	0.47%	0.19%	0.15%
Deferred Share Unit Plan	0.05%	0.05%	0.06%

### **Employee Stock Purchase Plan**

The Corporation also has in place an employee stock purchase plan that has been approved by the shareholders of the Corporation (the “Purchase Plan”), pursuant to which the Corporation has reserved an aggregate of up to 750,000 Common Shares for issuance, of which 512,387 Common Shares have been issued as of September 30, 2019, representing 6.5% of the current issued and outstanding Common Shares as at September 30, 2019, and there has been no change to this number as at December 9, 2019.

The Purchase Plan is intended to promote the interests of the Corporation by providing eligible employees, directors and consultants an opportunity to acquire a proprietary interest in the Corporation. Under the Purchase Plan, active employees regularly employed by the Corporation or any of its subsidiaries, who have been employed for at least three months, may contribute a percentage of their total salary to purchase Common Shares.

No Common Shares may be issued under the Purchase Plan if, together with Common Shares issued under the Stock Option Plan and any other share compensation arrangement, such issuance would result in the issuance to insiders within a one-year period of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares. Common Shares acquired pursuant to the Purchase Plan are not subject to any restrictions on transfer other than those prescribed by applicable securities laws.

Any employee electing to participate in the Purchase Plan may contribute up to a maximum of 5% of their total annual salary each year. For one twelve-month period commencing on February 1<sup>st</sup> of each year and ending on January 31<sup>st</sup> of the subsequent year (the “February Offering Period”) and for one six-month period commencing on August 1<sup>st</sup> and ending on January 31<sup>st</sup> of the subsequent year (the “August Offering Period” and each of the February Offering Period and the August Offering Period, an “Offering Period”), eligible employees will be given an opportunity to request that a percentage of their salary be deducted each pay period for the purpose of acquiring Common Shares. Such deductions shall commence on the first day of the applicable Offering Period following receipt of the election form and shall continue until the employee terminates his or her participation in the Purchase Plan of the Purchase Plan is terminated. The purchase price under the Purchase Plan for the February Offering Period is no less than 80% of the fair market value of the Common shares on February 1<sup>st</sup> of such period and the purchase price for the August Offering Period is no less than 90% of the fair market value of the Common Shares on August 1<sup>st</sup> of such period. The fair market value shall be the lower of (a) the weighted average sale prior for board lots of Common Shares on the TSX on the ten trading days immediately preceding the commitment date or (b) the weighted average sale prior for board lots of Common Shares on the TSX on the ten trading days immediately preceding the most recent press release of quarterly financial results for the Corporation’s first fiscal quarter in respect of the February Offering Period and for the Corporation’s third fiscal quarter in respect of the August Offering Period. Accordingly, the price that participants pay for Common Shares could be lower than their market price on the TSX.

An employee’s right to participate in the Purchase Plan terminates upon the termination of his or her employment for any reason. An employee is also entitled at any time to end his/her participation in the Purchase Plan. In either instance, payroll

deductions under the Purchase Plan shall cease and any payroll deductions credited to such employee's account shall be used to purchase Common Shares on the next purchase date. An employee's rights under the Purchase Plan may not be assigned to a third party under any circumstances. Upon the Common Shares being subdivided or consolidated into a greater or smaller number of shares or if, upon a reorganization, split-up, liquidation, recapitalization or the like of the Corporation, the Common Shares shall be exchanged for other securities of the Corporation, the rights of the participants shall be adjusted accordingly as would the aggregate number of Common Shares available for issuance under the Amended Purchase Plan.

The Board or committee must seek shareholder approval of amendments to the Purchase Plan as any of the following: (i) increase the number of Common Shares that may be issued under the Purchase Plan; (ii) increase the percentage discounts set forth in the definition of purchase price; (iii) increase the maximum percentage of the base pay that any eligible participant may direct be contributed, pursuant to the Purchase Plan, towards the purchase of Common Shares on his or her behalf through payroll deductions; (iv) change the eligible participants in a manner that would have the potential for broadening or increasing the insider participation in the Purchase Plan; or (v) increase the limit on the total number of Common Shares that may be acquired by insiders of the Corporation or acquired by insiders within a one-year period. The Board or a committee has the discretion to make other amendments which it may deem necessary, without having to obtain shareholder approval, including but not limited to amendments of a housekeeping nature, amendments that change the eligible participants that do not have the potential for broadening or increasing the insider participation in the Purchase Plan and decreases to the percentage discounts set forth in the definition of purchase price. The Purchase Plan does not authorize the Corporation to provide financial assistance to participants.

See "Approval of 2020 Employee Share Purchase Plan" for a description of a proposed employee share purchase plan that will replace the Purchase Plan if approved.

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

### Kevin Ford

Pursuant to an employment agreement dated November 11, 2014, Kevin Ford was appointed as the Corporation's President and Chief Executive Officer, effective upon the retirement of the former President and Chief Executive Officer (March 31, 2015). As of the date of this Circular, the compensation payable to Mr. Ford under this agreement comprises a salary in the amount of \$426,360, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, options as determined by the Compensation Committee or the Board and a car allowance of \$700 per month. In the event Mr. Ford is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Ford an amount equal to 18 months' salary and benefits, subject to agreeing to a non-competition period of 12 months. Mr. Ford is also subject to non-solicitation, non-disparagement and confidentiality agreements with the Corporation.

### Patrick Houston

Pursuant to an employment agreement dated January 10, 2019, Patrick Houston is employed by the Corporation as Chief Financial Officer and Corporate Secretary. As of the date of this Circular, the compensation payable to Mr. Houston under this agreement comprises a salary in the amount of \$255,000, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, options as determined by the Compensation Committee or the Board and a car allowance of \$650 per month. In the event Mr. Houston is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Houston an amount equal to 6 months' salary and benefits plus an amount equal to the outstanding bonus earned to the date of termination based on the financial statements for the previous month.

### **Termination benefits**

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers assuming termination on September 30, 2019.

<b>Name</b>	<b>Termination benefits</b>
Kevin Ford	\$797,276.88
Patrick Houston	\$216,631.38

The amounts above are payable upon termination for convenience. If termination for cause, no amounts would be payable to either Mr. Ford or Mr. Houston. For purposes of Mr. Ford and Mr. Houston’s employment, "termination for cause" is defined according to the laws in the Province of Ontario.

## COMPENSATION OF DIRECTORS

### Narrative Discussion

During fiscal 2018, the Chairman of the Board was entitled to an annual retainer of \$82,500 and each director of the Corporation who is not an employee was entitled to an annual retainer in the amount of \$55,000 in addition to reimbursement of out of pocket expenses. For fiscal 2019, the Chairman of the Board was entitled to an annual retainer of \$82,500 and each director of the Corporation who is not an employee was entitled to an annual retainer in the amount of \$55,000 in addition to reimbursement of out of pocket expenses. The directors of the Corporation are not required to hold a minimum number of Common Shares.

To encourage the directors of the Corporation who are not employees of the Corporation to better align their interests with those of the shareholders by having an investment in the Corporation, a Deferred Share Unit Plan (the “**DSU Plan**”) was implemented on November 10, 2010. The DSU Plan provides that the Chairman of the Board of the Corporation be required to receive a minimum of \$22,500 of his annual Board retainer fees in the form of Deferred Share Units and that all other directors of the Corporation who are not employees of the Corporation are required to receive a minimum of \$15,000 of their annual Board retainer fees in the form of Deferred Share Units.

DSUs have a value equal to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the date when DSUs are credited to each director who is not an employee of the Corporation. DSUs take the form of a bookkeeping entry credited to his or her account which cannot be redeemed for cash for as long as he or she remains a member of the Board. All DSUs will, upon request by him or her, be redeemed for cash by the Corporation after he or she ceases to be a member of the Board; however, failing such request, the redemption of such DSUs for cash will occur automatically upon the expiry of a period as determined under the DSU Plan. The value of a DSU, when redeemed for cash, will be equivalent to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day of the redemption. DSUs confer the right to receive dividends paid in the form of additional DSUs at the same rate as the dividend paid on shares of the Corporation. The DSU plan is not dilutive.

### Director Compensation table

The following table provides information regarding compensation paid to the Corporation’s non-executive directors during the financial year ended September 30, 2019.

Name	Fees earned (\$)	Share-based awards <sup>(1)(2)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Kenneth J. Loeb	\$60,000	\$22,500	\$39,600	Nil	Nil	Nil	\$122,100
Ray Basler	\$40,000	\$15,000	\$19,800	Nil	Nil	Nil	\$74,800
Richard A. Vickers	\$40,000	\$15,000	\$19,800	Nil	Nil	Nil	\$74,800
George Weber	\$40,000	\$15,000	\$19,800	Nil	Nil	Nil	\$74,800
Jo-Anne Poirier	\$40,000	\$15,000	\$19,800	Nil	Nil	Nil	\$74,800
Young Park	\$40,000	\$15,000	\$19,800	Nil	Nil	Nil	\$74,800

(1) Represents the value of DSUs awarded as part of the total compensation of directors.

(2) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes.

## 1. Outstanding share-based awards and option-based awards

The following table sets out all of the option-based and share-based awards outstanding for each non-executive director as at September 30, 2019.

Name	Option-based Awards				Share-Awards <sup>(3)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
Kenneth Loeb	10,000 8,000	\$ 29.55 \$ 27.30	November 19, 2023 May 17, 2022	\$ 62,560 \$ 55,700	204	\$7,153	\$265,746
Richard Vickers	5,000	\$ 29.55	November 19, 2023	\$ 27,850	135	\$4,769	\$145,204
George Weber	5,000	\$ 29.55	November 19, 2023	\$ 27,850	135	\$4,769	\$116,447
Ray Basler	5,000 5,000 5,000	\$ 29.55 \$ 27.30 \$ 17.69	November 19, 2023 May 17, 2022 September 9, 2020	\$ 27,850 \$ 39,100 \$87,150	135	\$4,769	\$90,847
Jo-Anne Poirier	5,000 5,000	\$ 29.55 \$ 27.30	November 19, 2023 May 17, 2022	\$ 27,850 \$ 39,100	135	\$4,769	\$78,326
Young Park	5,000	\$ 27.30	November 19, 2023	\$ 27,850	135	\$4,769	\$37,945

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2019 and the exercise price of such options.

(2) Calculated based on the market value of the shares on September 30, 2019 and the grant price of such awards.

(3) Including DSUs.

## 2. Incentive plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the non-executive directors or vested in their favour during the financial year ended September 30, 2019.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested in the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kenneth J. Loeb	\$17,580	\$22,500	N/A
Richard A. Vickers	\$8,790	\$15,000	N/A
George Weber	\$8,790	\$15,000	N/A
Ray Basler	\$8,790	\$15,000	N/A
Jo-Anne Poirier	\$8,790	\$15,000	N/A
Young Park	\$8,790	\$15,000	N/A

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2019 and the exercise price of such options.

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There was no indebtedness owed to the Corporation during the fiscal year ended September 30, 2019 by any individual who was a director, executive officer or senior officer of the Corporation (and any associate of the foregoing).

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance in the aggregate principal amount of \$50,000,000. The premium payable for such insurance during the period from October 26, 2019 to October 26, 2020 is \$103,000. The by-laws of the Corporation generally provide that the Corporation shall indemnify a director or officer of the Corporation against liability incurred in such capacity to the extent permitted or required by the CBCA. To the extent the Corporation is required to indemnify the directors or officers pursuant to its by-laws, the insurance policy provides that the Corporation is liable for the initial \$150,000 in the aggregate for each loss claimed.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no interests, direct or indirect, of any directors, officers or holders of over 10% of the Common Shares, or any directors or officers of any holders of over 10% of the Common Shares, or any affiliates or associates of any of the foregoing, in any transactions of the Corporation since the commencement of Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or that would materially affect the Corporation or any of its subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators have introduced National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “National Instrument”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “National Policy”). A complete description of the Corporation's approach to corporate governance in accordance with each of the National Instrument and the National Policy is set out in the “Statement of Corporate Governance Practices” attached as Appendix 1 to this Circular.

## OTHER MATTERS

Management knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting, however, if any other matters which are not now known to management should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgment of the person voting the Proxy.

## **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 longer than 90 days before the anniversary date of this notice.

## **ADDITIONAL INFORMATION**

Financial Information is provided in the Corporation's comparative financial statements and management discussion and analysis for its most recently completed financial year. Copies of the Corporation's financial statements and management discussion and analysis can be requested by contacting Investor Relations at [IR@calian.com](mailto:IR@calian.com) or by calling 1-613-599-8600.

Additional information relating to the Corporation can also be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **DIRECTORS' APPROVAL**

The undersigned hereby certifies that the directors of the Corporation have approved the contents and the sending of this Circular.

DATED: December 11, 2019



Patrick Houston, Secretary  
Calian Group Ltd.  
Ottawa, Ontario

**APPENDIX 1**  
**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	Kenneth Loeb, Richard Vickers, George Weber, Jo-Anne Poirier and Young Park are independent directors.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	Kevin Ford is not independent as he is currently the President and Chief Executive Officer of the Corporation.
(c) Disclose whether or not a majority of directors are independent.	The Board currently comprises seven members, five of whom are independent directors.
(d) Identify any director who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction and identify that issuer.	None of the members of the Board are directors of any other reporting issuer (or the equivalent).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	At each of its quarterly meetings, the Board meets without management present. In addition, at each of its quarterly meetings, a meeting comprising only independent Board members is also held. During fiscal 2019, independent Board members met four times without management present.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	The chair of the Board, Kenneth Loeb, is an independent member of the Board.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	For the 12-month period ended September 30, 2019, the Board met seven times, the Audit Committee met four times, the Compensation Committee met three times, the Governance Committee met twice, and the Nominating committee met once. Compensation and governance issues are also discussed during the quarterly Board meetings with all the Board members present. All the directors were present at all Board and committee meetings either by phone or in person with the exception of a special meeting of the board of directors for which one member was not able to attend, but quorum was held.
<b>2. Board Mandate</b>	
Disclose the text of the board's written mandate.	The text of the Board's written mandate and those of its committees are set out in Appendix 2 to this Circular.

<b>3. Position Descriptions</b>	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	As part of the Board’s mandate, the Board has developed a position description for the Chairman of the Board. The Board has not developed position descriptions for the Chairs of the Audit Committee, the Compensation Committee, the Nominating Committee and the Governance Committee, however, the Board has developed a mandate for each of these committees and, as such, the Chair of each committee is responsible to ensure that such mandates are followed.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board has developed a position description for the Chief Executive Officer. In addition, the Board annually approves the strategic and operational plans, business objectives and key results for which the Chief Executive Officer is responsible.
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its directors, and</li> <li>(ii) the nature and operation of the issuer’s business</li> </ul>	The Board does not have a formal process of orienting new members of the Board. However, an informal orientation occurs at the first Board meeting following the election of new directors. It is the responsibility of the Chairman of the Board to monitor the existing process to determine if a more formal orientation and education process is warranted.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors	The Board has not developed a formal continuing education program. However, the Chair of the Governance Committee researches various topics of interest for the board and suggests training modules. As well, the Corporation’s Corporate Secretary provides regular updates to the Board on new developments in corporate governance. Information on seminars and conferences are also passed along to directors but attendance at such events is not mandatory. Cost of attendance to seminars and conferences are paid by the Corporation.
<b>5. Ethical Business Conduct</b>	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: <ul style="list-style-type: none"> <li>(i) disclose how a person or company may obtain a copy of the code;</li> <li>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</li> <li>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</li> </ul>	The Board has adopted a written Guide to Ethical Business Practices (the “Guide”). In particular: <ul style="list-style-type: none"> <li>(i) The Guide is available on the Corporation’s website and explains the mechanisms in place to report departures from the Guide.</li> <li>(ii) The Guide provides for a reporting mechanism to the Board. In addition, all of the Corporation’s employees who do not work directly at a customer’s premises must certify annually that they have read, understand and agree to comply with the Guide.</li> <li>(iii) There has been no material change report filed that pertains to any conduct of a director or an executive officer that constitutes a departure from the Guide.</li> </ul>
(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer	The Board has adopted a policy on related party transactions which does not allow for any transactions to occur between the Corporation and a third party who has direct or indirect ties with the directors, officers or employees of the Corporation.

has a material interest.	
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board believes the Guide is sufficient to encourage and promote a culture of ethical business conduct.
<b>6. Nomination of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Nominating Committee mandate is set out in Appendix 2 to this Circular.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Nominating Committee is composed of Kenneth Loeb, George Weber and Richard Vickers, each of whom is an independent director.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Nominating Committee mandate is set out in Appendix 2 to this Circular.
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers	<p>The Compensation Committee is tasked with (i) reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; (ii) reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and (iii) reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives (except for that contractually provided for) is determined by the Chief Executive Officer.</p> <p>Additional information regarding the Corporation's compensation philosophy can be found in the Circular under the heading "STATEMENT OF EXECUTIVE COMPENSATION – COMPENSATION DISCUSSION AND ANALYSIS"</p> <p>The Compensation Committee is responsible for reviewing the directors' compensation in relation to current norms and recommending changes to the Board. Director compensation is approved by the Board.</p>
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Compensation Committee is composed of George Weber (Chairman), Richard Vickers, Kenneth Loeb, Jo-Anne Poirier and Young Park, each of whom is an independent director.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The mandate of the Compensation Committee is attached at Appendix 2 to this Circular.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's	During fiscal 2017, Mercer Canada assisted the Corporation in undertaking a review of its compensation practices for executives.

<p>most recently completed financial year, been retained to assist in determining compensation for any of the issuer’s directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>Current compensation in 2019 was based on the review completed in 2017. Mercer was contracted in 2019 to complete an assessment of the compensation practices for executives, which will be incorporated into the compensation of executives in 2020.</p>
<p><b>8. Other Board Committees</b></p>	
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has a Governance Committee, the mandate of which committee is attached at Appendix 2 to this Circular.</p>
<p><b>9. Assessments</b></p>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The Chairman of the Board has the ongoing responsibility of assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Evaluation criteria include such factors as the attendance record of individual Board members and the effectiveness of their participation at Board meetings.</p> <p>The Governance Committee of the Board reviews the mechanisms to promote an appropriate level of Board renewal and perform an annual assessment of the effectiveness, contribution, competencies and skills of the individual directors and the Board as a whole with a view to identifying any gaps in skills and competencies considered most relevant for board renewal considerations.</p>
<p><b>10. Director Term Limits and Other Mechanisms of Board Renewal</b></p>	
<p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Corporation has not adopted term limits for the directors. The Corporation believes that having long-standing directors on its Board does not negatively impact board effectiveness, but instead contributes to boardroom dynamics that have resulted in a consistently high-performing Board.</p> <p>Any director who turns 75 years of age prior to the next annual shareholders meeting must submit his or her resignation to the Chairman of the Board. The Chairman, with input of the other board members, will evaluate whether to accept the resignation having regard of the needs of the Board and the particular circumstances of the Corporation at that time. If the resignation is not accepted, the situation will be re-evaluated annually. If the resignation is accepted, it shall take effect the day before the annual meeting of shareholders. One of the directors has reached the age of 75 in the current year and has reached the age limit, however the chairman of the board has granted a one year exception for his term to continue.</p> <p>The Governance Committee of the Board must also review annually the size and composition of the Board, and mechanisms to promote an appropriate level of board renewal, as well as perform the annual assessments described under the heading “9.</p>

Assessments”.

**11. Policies Regarding the Representation of Women and Designated Groups on the Board**

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:

- (i) a short summary of its objectives and key provisions,
- (ii) the measures taken to ensure that the policy has been effectively implemented,
- (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
- (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

(c) indicate whether or not the issuer has adopted a written policy relating to the identification and nomination of members of designated groups (as defined in the regulations to the *Canada Business Corporations Act*) for directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy.

On August 5, 2015, the Board adopted a Board Diversity and Term Limits Policy relating in part to the promotion of diversity and ensuring that its recruitment process will consider all individuals from diverse backgrounds, regardless of gender, age, ethnicity, Indigenous heritage, geography, political affiliation and persons with disabilities.

Under the policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female representation. The Governance and Nominating Committees will however consider candidates on merit against objective criteria. Diversity is considered within the context of the Corporation’s needs and objectives, its diverse customer base and its domestic and international operations. The Board does not set specific gender representation targets when identifying potential candidates to the Board of Directors.

Similarly, in identifying and considering potential candidates for executive appointments, the Corporation seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, the corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, but more so, factors such as years of service, regional background, merit, experience and qualification. The Board does not set specific gender representation targets when identifying potential candidates to executive officer positions.

The policy must be reviewed and approved by the Board annually.

**12. Consideration of the Representation of Women and Designated Groups in the Director Identification and Selection Process**

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer’s reasons for not doing so.

Disclose whether or not the board of directors or its nominating committee considers the level of the representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board and, as the case may be, how that level is considered or the reasons why it is not considered.

As stated above, under the Board Diversity and Term Limits Policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female representation.

<p><b>13. Consideration Given to the Representation of Women and Designated Groups in Executive Officer Appointments</b></p>	
<p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer’s reasons for not doing so.</p> <p>Disclose whether or not the distributing corporation considers the level of representation of designated groups when appointing members of senior management and, as the case may be, how that level is considered or the reasons why it is not considered.</p>	<p>In identifying and considering potential candidates for executive appointments, the Corporation seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, the Corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, but more so, factors such as years of service, regional background, merit, experience and qualification.</p>
<p><b>14. Targets Regarding the Representation of Women and Designated Groups on the Board and in Executive Officer Positions</b></p>	
<p>(a) For purposes of this Item, a “target” means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer’s board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer’s board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <ul style="list-style-type: none"> <li>(i) the target, and</li> <li>(ii) the annual and cumulative progress of the issuer in achieving the target</li> </ul> <p>(e) Disclose whether or not the distributing corporation has for each group referred to in the definition of designated groups in the regulations to the <i>Canada Business Corporations Act</i>, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors or to be members of senior management by a specific date and</p> <ul style="list-style-type: none"> <li>(i) for each group for which a target has been adopted, the target and the</li> </ul>	<p>The Board does not set specific gender or designated group representation targets when identifying potential candidates to the board or executive officer positions. The Corporation believes that diversity is appropriately considered as part of its hiring and nomination process and that a numerical target would not afford the Corporation the flexibility to select the best possible candidates based on a range of factors.</p>

<p>annual and cumulative progress of the corporation in achieving that target; and</p> <p>(ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target.</p>	
<p><b>15. Number of Women and Designated Groups on the Board and in Executive Officer Positions</b></p>	
<p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p> <p>(c) disclose, for each group referred to in the definition designated groups in the regulations to the <i>Canada Business Corporations Act</i> , the number and proportion, expressed as a percentage, of the members of each group who hold positions on the board of directors or who are members of senior management of the distributing corporation including all of its major subsidiaries.</p>	<p>The Corporation currently has two women directors, representing approximately 30% of the Board. The Corporation currently has two women executive officers, representing 40% of the Corporation's executive officers.</p> <p>To the knowledge of the Corporation, the Corporation currently has no directors or members of senior management who are Aboriginal peoples.</p> <p>To the knowledge of the Corporation, the Corporation currently has no directors or members of senior management who are persons with disabilities.</p> <p>To the knowledge of the Corporation, the Corporation currently has 1 director who is a visible minority, representing 17% of the Board. To the knowledge of the Corporation, the Corporation currently has no members of senior management who are visible minorities.</p>

**APPENDIX 2**  
**CALIAN GROUP LTD.**  
**MANDATE OF THE BOARD OF DIRECTORS**

The Board of Directors (Board) has the overall responsibility for the stewardship of the Corporation. As such, the Board delegates to management some of its authority and certain responsibilities to manage the business of the Corporation. The delegation of authority conforms to statutory limitations and certain responsibilities cannot be delegated to management and remain with the Board. The Calian Board of Directors has a Chairman, a Corporate Governance Committee, a Nominating Committee, a Compensation Committee and an Audit Committee.

The primary objective of the Board is to make sure that management is thinking and acting in a manner that reflects our core values of 1) adding value, 2) thinking long-term and 3) being honest, transparent and prudent in all business activities.

This document is intended to provide the Directors, Management and interested investors insight into the Board process that affects the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Board shall be composed of a minimum of 5 directors, with the majority being independent directors.
- 1.2 The Board shall meet on a quarterly basis. Each quarterly meeting will include the following sessions:
  - Informal board dinner with board members and senior management present;
  - Independent Directors meeting;
  - Board meeting with management present;
  - Board meeting without management present.
- 1.3 Special meetings shall be held at the call of the Chairman or upon the request of two members of the Board.
- 1.4 A quorum shall be a majority of the members.
- 1.5 Unless the Board otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 1.6 A copy of the minutes of each meeting of the Board of Directors shall be provided to each director in a timely fashion.
- 1.7 Board meeting agendas shall be the responsibility of the Chairman of the Board.
- 1.8 The Board shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management at least five (5) days in advance of meeting dates.
- 1.9 To assist the Board in discharging its responsibilities, the Board may retain at the expense of the Corporation, one or more persons having special expertise.

## **2. Specific Responsibilities and Duties**

### **2.1 *Strategic Planning and Annual Operational Plans***

- 2.1.1 Review and approve the strategic plan and monitor the implementation of the strategic plan by management;
- 2.1.2 Review and approve the financial goals of the Corporation;
- 2.1.3 Review and Approve the annual operating plan and budget of the Corporation;
- 2.1.4 Review and approve major business decisions and transactions not in the ordinary course of business such as acquisitions, divestitures and capital transactions.

### **2.2 *Risk Management***

- 2.2.1 Review the processes utilized by management with respect to risk assessment and risk management and the identification by management of the principal risks of the business of the Corporation including financial risks;
- 2.2.2 Review the implementation by management of appropriate systems to manage business and financial risks;
- 2.2.3 Review the processes to ensure respect for and compliance with applicable regulatory, corporate, securities, environmental, health and safety and other legal requirements.

### **2.3 *Succession Planning and Senior Officers Performance***

- 2.3.1 Choose the Chief Executive officer and approve the appointment of Senior Officers;
- 2.3.2 Review and approve the corporate objectives that the Chief Executive Officer is responsible for meeting
- 2.3.3 Assess the performance of the Chief Executive Officer in relation to such objectives;
- 2.3.4 Establish the compensation for the Chief Executive Officer;
- 2.3.5 Assess and oversee the succession plan for Senior Officers;
- 2.3.6 Ensure that processes are in place for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence;

### **2.4 *Internal Controls***

- 2.4.1 Oversee the establishment by management of an adequate system of internal controls and procedures and assess its effectiveness;
- 2.4.2 Oversee the reliability and integrity of accounting and disclosure principles and practices followed by management;
- 2.4.3 Approve the Annual Financial Statements, Management Discussion and Analysis and other statutory filings such as the AIF, Management Proxy Circular and Annual Report.
- 2.4.4 Approve the Interim Financial Statements and Management Discussion and Analysis.

### **2.5 *Communication and Public Disclosure***

- 2.5.1 Adopt communication policies and monitor the Corporation's investor relations program;
- 2.5.2 Oversee the establishment of processes for accurate, timely and full public disclosure.

### **2.6 *Governance***

- 2.6.1 Establish appropriate structures and procedures to allow the Board to function independently of management;
- 2.6.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;
- 2.6.3 Review periodically the Corporation's Guide to Ethical Business Practices;
- 2.6.4 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;
- 2.6.5 Review shareholder proposals and determine appropriate course of action.

### **ROLE OF THE CHAIRMAN**

The Chairman has primary responsibility for the Corporation's strategic direction. The Chairman, along with the CEO, will ensure that the Corporation's management and employees conduct their business with honesty and integrity with a view to creating sustainable, long term value and profitable growth. Along with the Board of Directors, the Chairman assumes responsibility for the stewardship of the Corporation. The Chairman manages the affairs of the Board, ensuring that the Board is organized properly, functions effectively, operates independently from management, and meets its obligations and responsibilities relating to corporate governance matters.

#### **Specific Responsibilities**

- 1.1 Provide leadership to the Board in reviewing and deciding upon matters that exert major influence on the manner in which the Corporation's business is conducted, such as corporate strategic planning, policy formulation, and mergers and acquisitions;
- 1.2 Provide liaison between the Board and management of the Corporation;
- 1.3 Provide overall leadership to enhance the effectiveness of the Board. Chair meetings of the Board and attend committee meetings as appropriate;
- 1.4 In collaboration with the Nominating Committee support the director recruitment process and recommend to the Board of Directors nominees for election to the Board;
- 1.5 Support the orientation of new and the continued education of incumbent directors;
- 1.6 Periodically review the performance of Directors and the effectiveness of the Board and each of its committees;

**CALIAN GROUP LTD.**  
**MANDATE OF THE CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities in relation to the corporate governance practices and policies of the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Committee shall be composed of a minimum of 3 directors, with the majority being independent directors.
- 1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chairman or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.
- 1.3 A quorum shall be a majority of the members.
- 1.4 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 1.5 In the absence of the Chairman of the Committee, the Chairman shall chair the meeting.
- 1.6 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.
- 1.7 Committee meeting agendas shall be the responsibility of the Chairman of the Committee.
- 1.8 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.
- 1.9 The Committee shall review its performance and mandate on an annual basis.

**2. Specific Responsibilities and Duties**

- 2.1 Establish appropriate structures and procedures to allow the Board to function independently of management;
- 2.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;
- 2.3 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;
- 2.4 Monitor best practices and ensure compliance with all legal requirements relating to corporate governance. Develop and recommend to the Board of Directors a set of corporate governance guidelines including the Board of Directors' mandate in accordance with applicable laws and regulations. Review such guidelines periodically and recommend changes as deemed necessary;

Review and assess the adequacy of the Corporation's Disclosure Policy, Insider Trading Policy, Guide to Ethical Business Practices and other related policies and guidelines, as deemed appropriate.

**CALIAN GROUP LTD.**  
**MANDATE OF THE NOMINATING COMMITTEE**

The Nominating Committee (The Committee) will be responsible for identifying individuals qualified to become new Board members and recommending to the Board of directors nominees for each annual meeting of the shareholders of the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Committee shall be composed of a minimum of 3 directors, all being independent directors.
- 1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chairman or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.
- 1.3 A quorum shall be a majority of the members.
- 1.4 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.
- 1.5 Committee meeting agendas shall be the responsibility of the Chairman of the Committee.
- 1.6 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.
- 1.7 The Committee shall review its performance and mandate on an annual basis.

**2. Specific Responsibilities and Duties**

- 2.1 Review periodically the size and composition of the Board to ensure that the Board has the appropriate mix of competencies and skills to facilitate effective decision making as well as the capacity to effectively discharge its responsibilities;
- 2.2 Review from time to time the retirement plans of directors;
- 2.3 Develop plans for the orderly succession of directors to keep the Board appropriately balanced in terms of skills and experience;
- 2.4 Recommend to the Board addition or replacement of one or more directors as may be considered necessary or appropriate from time to time;
- 2.5 Be satisfied that the Corporation has effective plans for the orientation of new directors and the continued education of incumbent directors

**CALIAN GROUP LTD.**  
**MANDATE OF THE COMPENSATION COMMITTEE**

The purpose of the Compensation Committee (The Committee) is to review and establish the compensation of Senior Executive of the Corporation.

**1. General Procedures**

- 1.1 The Committee shall be composed of a minimum of 3 independent directors;
- 1.2 The Committee shall meet at least annually to discuss compensation arrangements for the Corporation's Senior Executives;
- 1.3 A quorum shall be a majority of the members;
- 1.4 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise;

**2. Specific Responsibilities and Duties**

- 2.1 Establish the Corporation's general compensation philosophy, and oversee the development and implementation of compensation programs;
- 2.2 Review and Approve the corporate objectives that the Chief Executive Officer is responsible for meeting, assess the performance of the Chief Executive Officer in relation to such objectives and establish the compensation for the Chief Executive Officer;
- 2.3 Review and approve compensation programs applicable to the Senior Executives of the Corporation;
- 2.4 Review and approve severance or similar termination payments proposed to be made to any current or former Senior Executives of the Corporation;
- 2.5 Oversee the development and implementation of the succession plan for Senior Executives.
- 2.6 Oversee the processes for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence.
- 2.7 Review the Directors' compensation in relation to current norms and recommend changes to the Board of Directors;

**APPENDIX 3**  
**CALIAN GROUP LTD.**  
**2016 STOCK OPTION PLAN RESOLUTION**

**WHEREAS:**

1. the board of directors of Calian Group Ltd. (the “Corporation”) adopted on November 9, 2016 a stock option plan (the “Stock Option Plan”) which does not have a fixed maximum number of common shares issuable;
2. the shareholders of the Corporation approved the Stock Option Plan, by a majority of votes cast, on February 3, 2017;
3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

**BE IT RESOLVED THAT:**

1. the unallocated options under the Stock Option Plan be and are hereby approved;
2. the Corporation has the ability to continue granting options under the Stock Option Plan until February 6, 2023, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

**APPENDIX 4**  
**2020 ESPP RESOLUTION**

**WHEREAS:**

1. the board of directors of Calian Group Ltd. (the “**Corporation**”) approved on November 25, 2019 the adoption of a 2020 employee share purchase plan (the “**2020 ESPP**”) for the benefit of all employees (including directors and officers who are under a permanent full-time or part-time contract of employment with the Corporation) of the Corporation and its subsidiaries; and
2. there will be a maximum of 500,000 common shares reserved for issuance pursuant to the 2020 ESPP;

**BE IT RESOLVED THAT:**

1. The 2020 Employee Share Purchase Plan of the Corporation, substantially in the form referenced in the Corporation’s management information circular dated December 11, 2019, is hereby approved; and
2. Any director or officer of the Corporation be and is hereby authorized to do all such things and to sign, execute and deliver all such documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

## **APPENDIX 5**

### **SUMMARY OF 2020 SHAREHOLDER RIGHTS PLAN**

The following is a summary of the features of the 2020 Shareholder Rights Plan. The summary is qualified in its entirety by the full text of the 2020 Shareholder Rights Plan, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies are also available free of charge from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8. All capitalized terms used in this summary without definition have the meanings attributed to them in the 2020 Shareholder Rights Plan unless otherwise indicated.

#### **(a) Issuance of Rights**

One Right was issued by the Corporation for each Common Share outstanding at the close of business on December 11, 2019, the date that the 2020 Shareholder Rights Plan came into effect, and one Right was issued and will continue to be issued for each Common Share of the Corporation after such date and prior to the earlier of the Separation Time and the Expiration Time.

Each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at the exercise price equal to three times the Market Price of the Common Share, subject to adjustment and certain antidilution provisions (the “**Exercise Price**”). The Rights are not exercisable until the Separation Time. If a Flip-in Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate market price equal to twice the Exercise Price.

The Corporation is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside Canada where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the 2020 Shareholder Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

#### **(b) Trading of Rights**

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Common Shares and will be transferable only together with the associated Common Shares. From and after the Separation Time, separate certificates evidencing the Rights (“**Rights Certificates**”) will be mailed to holders of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Common Shares issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities (“**Convertible Securities**”) convertible into or exchangeable for Common Shares. The Rights will trade separately from the Common Shares after the Separation Time.

#### **(c) Separation Time**

The Separation Time is the Close of Business on the tenth Business Day after the earlier of (i) the “Stock Acquisition Date”, which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person or such later date as may from time to time be determined by the Board of Directors; and (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 Permitted Bid or a Competing Permitted Bid, and the 2020 Shareholder Rights Plan requires such bid to continue to satisfy the requirements of a Permitted Bid or Competing Permitted Bid). In either case, the Separation Time can be such later date as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

#### **(d) Acquiring Person**

In general, an Acquiring Person is a Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Common Shares. Excluded from the definition of “Acquiring Person” are the Corporation and its Subsidiaries, and any

Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of one or more or any combination of an acquisition or redemption by the Corporation of Common Shares, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of “Permitted Bid Acquisition”, “Exempt Acquisition”, “Convertible Security Acquisition” and “Pro Rata Acquisition” are set out in the 2020 Shareholder Rights Plan. However, in general:

(i) a “**Permitted Bid Acquisition**” means an acquisition of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;

(ii) an “**Exempt Acquisition**” means an acquisition of Common Shares in respect of which the Board of Directors has waived the application of the 2020 Shareholder Rights Plan, which was made pursuant to a dividend reinvestment plan of the Corporation, which was made pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of 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 hereby 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), which was made 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 the Common Shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), which was made 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, or which is made pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval;

(iii) a “**Convertible Security Acquisition**” means an 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; and

(iv) a “**Pro Rata Acquisition**” means an acquisition 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, 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.

(v) Also excluded from the definition of “**Acquiring Person**” are underwriters or members of a banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement, and a Person in its capacity as an Investment Manager, Trust Company, Plan Trustee, Statutory Body, Crown agent or agency or Manager (provided that such Person is not making or proposing to make a Take-over Bid).

#### (e) **Beneficial Ownership**

##### **General**

In general, a Person is deemed to Beneficially Own Common Shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the 2020 Shareholder Rights Plan. Included are holdings by the Person’s Affiliates (generally, a person that controls, is controlled by, or under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person’s Affiliates or Associates has the right to acquire within 105 days (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).

A Person is also deemed to “Beneficially Own” any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert (a “Joint Actor”). A Person is a Joint Actor with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof to acquire or offer to acquire Common Shares.

## **Institutional Shareholder Exemptions from Beneficial Ownership**

The definition of “Beneficial Ownership” contains several exclusions whereby a Person is not considered to “Beneficially Own” a security. There are exemptions from the deemed “Beneficial Ownership” provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to (i) an investment manager (“**Investment Manager**”) which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a “**Client**”) including, the acquisition or holding of securities for nondiscretionary accounts held on behalf of a Client by a broker or dealer registered under applicable securities laws; (ii) a licensed trust company (“**Trust Company**”) acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an “**Estate Account**”) or in relation to other accounts (each an “**Other Account**”) and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a “**Plan Trustee**”) of one or more pension funds or plans (a “**Plan**”) registered under applicable law; (iv) a Person who is a Plan or is a Person established by statute (the “**Statutory Body**”), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies; (v) a Crown agent or agency; (vi) a manager or trustee (“**Manager**”) 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. The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Plan Trustee, Plan, Statutory Body, Crown agent or agency, Manager or Mutual Fund is not then making or has not then announced an 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.

A Person will not be deemed to “Beneficially Own” a security because (i) the Person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Company or Plan Trustee, as the case may be, holds such security; or (ii) the Person is a Client of an Investment Manager, Estate Account, Other Account or Plan, and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan Trustee, as the case may be.

## **Exemption for Permitted Lock-up Agreement**

Under the 2020 Shareholder Rights Plan, a Person will not be deemed to “Beneficially Own” any security where the holder of such security and/or Convertible Securities has agreed to deposit or tender such security and/or Convertible Securities, pursuant to a Permitted Lock-up Agreement, to a Take-over Bid made by such Person or such Person’s Affiliates or Associates or a Joint Actor, or such security and/or Convertible Securities has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security and/or Convertible Securities is accepted unconditionally for payment or is taken up or paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Common Shares and/or Convertible Securities (the terms of which are publicly disclosed and available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Common Shares and/or Convertible Securities to the Lock-up Bid and which further (i) permits the Locked-up Person to withdraw its Common Shares and/or Convertible Securities in order to deposit or tender the Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction at a price or value that exceeds the price under the Lock-Up Bid; or (ii) permits the Locked-up Person to withdraw its Common Shares and/or Convertible Securities in order to deposit or tender the Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction at an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a Specified Amount and that does not provide for a Specified Amount greater than 7% of the offering price in the Lock-up Bid. The 2020 Shareholder Rights Plan therefore requires that a Person making a Take-Over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Common Shares and/or Convertible Securities subject to the lock-up agreement and potentially triggering the provisions of the 2020 Shareholder Rights Plan.

A Permitted Lock-up 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 other similar limitation on a Locked-up Person’s right to withdraw Common Shares and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Common Shares and/or Convertible Securities

during the period of the other Take-Over Bid or transaction. Finally, under a Permitted Lock-up Agreement, no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (ii) 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 what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Common Shares and/or Convertible Securities to the Lock-up Bid or withdraws Common Shares and/or Convertible Securities previously tendered thereto in order to deposit such Common Shares and/or Convertible Securities to another Take-Over Bid or support another transaction.

**(f) Flip-in Event**

A Flip-in Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board of Directors occurs (see “Redemption, Waiver and Termination”), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a Joint Actor (or a transferee of any such Person), which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the 2020 Shareholder Rights Plan, that number of Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-in Event the Exercise Price is \$75 and the Market Price of the Common Shares is \$30, the holder of each Right would be entitled to purchase Common Shares having an aggregate Market Price of \$150 (that is, five Common Shares) for \$75 (that is, a 50% discount from the Market Price).

**(g) Permitted Bid and Competing Permitted Bid**

A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which 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 contains irrevocable and unqualified conditions that:

- A. no Common Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is no earlier than the earlier of (1) the date that is 105 days following the date of the Take-over Bid and (2) the last day of the initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104;
- B. unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Takeover Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and 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;
- C. more than 50% of the outstanding Common Shares held by Independent Shareholders 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
- D. in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders 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 remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, termination or withdrawal, and that satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not necessarily required to remain open for 105 days so long as it is open until the close of business on the date that is the last day of the minimum initial deposit period that the Offeror must allow securities to be

deposited under the Take-over Bid pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.

#### **(h) Redemption, Waiver and Termination**

(i) **Redemption of Rights on Approval of Holders of Common Shares and Rights.** The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Common Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.000001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Agreement (the “**Redemption Price**”).

(ii) **Waiver of Inadvertent Acquisition.** The Board of Directors acting in good faith may waive or agree to waive the application of the 2020 Shareholder Rights Plan in respect of the occurrence of any Flip-in Event if (A) the Board of Directors has determined that a Person became an Acquiring Person under the 2020 Shareholder Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (B) the Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver the Person is no longer an Acquiring Person.

(iii) **Deemed Redemption.** In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the 2020 Shareholder Rights Plan consummates the acquisition of the Common Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.

(iv) **Discretionary Waiver with Mandatory Waiver of Concurrent Bids.** The Board of Directors acting in good faith may, prior to the occurrence of a Flip-in Event as to which the 2020 Shareholder Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the 2020 Shareholder Rights Plan to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares. However, if the Board of Directors waives the application of the 2020 Shareholder Rights Plan, the Board of Directors shall be deemed to have waived the application of the 2020 Shareholder Rights Plan in respect of any other Flip-in Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

(v) **Discretionary Waiver respecting Acquisition not by Take-over Bid Circular.** The Board of Directors acting in good faith may, with the prior consent of the holders of Common Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the 2020 Shareholder Rights Plan has not been waived, 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 holders of Common Shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20%, to waive the application of the 2020 Shareholder Rights Plan to such Flip-in Event. However, if the Board of Directors waives the application of the 2020 Shareholder Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.

(vi) **Redemption of Rights on Withdrawal or Termination of Bid.** Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.

(vii) If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, 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 is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

#### **(i) Anti-Dilution Adjustments**

The Exercise Price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (i) if there is a dividend payable in Common Shares or Convertible Securities (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) on the Common Shares,
- (ii) or a subdivision or consolidation of the Common Shares,
- (iii) or an issuance of Common Shares or Convertible Securities in respect of, in lieu of or in exchange for Common Shares;  
or
- (iv) if the Corporation fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividend or a dividend payable in Common Shares) or rights or warrants.

**(j) Supplements and Amendments**

The Corporation may make amendments to correct any clerical or typographical error or which are necessary to maintain the validity of the 2020 Shareholder Rights Plan as a result of any change in any applicable legislation, rules or regulation. Any changes made to maintain the validity of the 2020 Shareholder Rights Plan shall be subject to subsequent confirmation by the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

Subject to the above exceptions, after the meeting, any amendment, variation or deletion of or from the 2020 Shareholder Rights Plan and the Rights is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

**(k) Expiration**

If the 2020 Shareholder Rights Plan is confirmed and approved at the Meeting, it will continue to be effective and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the 2020 Shareholder Rights Plan) and the termination of the annual meeting of the Shareholders in the year 2023 unless at or prior to such meeting the Corporation's shareholders ratify the continued existence of the 2020 Shareholder Rights Plan, in which case the 2020 Shareholder Rights Plan would expire at the earlier of the Termination Time and the termination of the 2026 annual meeting of the Corporation's shareholders.

**APPENDIX 6**  
**RIGHTS PLAN RESOLUTION**

**BE IT RESOLVED THAT:**

1. The 2020 Shareholder Rights Plan of the Corporation be approved and, without limiting the foregoing, the 2020 Shareholder Rights Plan Agreement substantially in the form referenced in the Corporation's management information circular dated December 11, 2019, made effective as of December 11, 2019 between the Corporation and AST Trust company (Canada) (the "Rights Agent") is hereby approved; and
2. Any director or officer of the Corporation is hereby authorized to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to the above resolution.

**APPENDIX 7**  
**CALIAN GROUP LTD.**  
**2016 RESTRICTED SHARE UNIT PLAN RESOLUTION**

**WHEREAS:**

1. the board of directors of Calian Group Ltd. (the “Corporation”) adopted on November 9, 2016 a restricted share unit plan (the “2016 Restricted Share Unit Plan”) which does not have a fixed maximum number of common shares issuable;
2. the shareholders of the Corporation approved the 2016 Restricted Share Unit, by a majority of votes cast, on February 3, 2017;
3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

**BE IT RESOLVED THAT:**

1. the unallocated options under the 2016 Restricted Share Unit Plan be and are hereby approved;
2. the Corporation has the ability to continue granting options under the 2016 Restricted Share Unit Plan until February 6, 2023, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.