

The originally filed Management Information Circular contained the incorrect Record Date. The revised form attached contains the correct Record Date of April 17, 2020.



## INVENTRONICS LIMITED

### NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD MAY 22, 2020

NOTICE is hereby given that the Annual and Special Meeting (the "Meeting") of the shareholders of Inventronics Limited (the "Corporation") will be held at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue S.W., Calgary, Alberta, on Friday, May 22, 2020 at 11:00 am (Mountain Daylight Time) for the following purposes:

1. To receive the audited financial statements of the Corporation for the year ended December 31, 2019;
2. To fix the number of directors to be elected at the Meeting at six (6) members;
3. To elect six (6) directors for the ensuing year;
4. To appoint auditors for the ensuing year, and authorize the directors to fix their remuneration;
5. To consider and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying the Corporation's stock option plan, all as more particularly described in the accompanying Management Information Circular - Proxy Statement of the Corporation dated April 7, 2020 (the "Information Circular"); and
6. To transact such other business as may be properly brought before the Meeting, or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice.

**Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and mail it to the attention of the Corporation's Secretary, c/o Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, instruments of proxy must be returned to the aforesaid address no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.**

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on April 17, 2020 (the "Record Date"). Only shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting.** To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

The Corporation intends to hold the Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, the Corporation asks that, in considering whether to attend the Meeting in person, shareholders

follow the instructions of the Public Health Agency of Canada (PHAC) ([www.canada.ca/en/public-health.html](http://www.canada.ca/en/public-health.html)) and Alberta Health Services ([www.albertahealthservices.ca](http://www.albertahealthservices.ca)). Access to the Meeting will, subject to the Corporation's by-laws, be limited to essential personnel and registered shareholders and proxyholders entitled to attend and vote at the Meeting. The Corporation encourages shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Corporation encourages shareholders to vote their shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such shareholders.

The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, the Corporation will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at [www.inventronics.com](http://www.inventronics.com) for updated information.

DATED at the City of Calgary, in the Province of Alberta, this 7<sup>th</sup> day of April, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'Dan J. Stearne', written in a cursive style.

Dan J. Stearne  
President, Chief Executive Officer & Director

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# INVENTRONICS LIMITED

## INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders  
to be held on May 22, 2020

### PROXIES

#### Solicitation of Proxies

This Management Information Circular - Proxy Statement (the "Information Circular") is furnished in connection with the solicitation of proxies by the management of Inventronics Limited (the "Corporation" or "Inventronics") for use at the Annual and Special Meeting (the "Meeting") of holders (the "Shareholders") of common shares (the "Common Shares" or the "Shares") of the Corporation to be held at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue S.W., Calgary, Alberta, on May 22, 2020 at 11:00 am (Mountain Daylight Time), and at any adjournment thereof, for the purposes set forth in the Notice of the Annual and Special Meeting (the "Notice").

Unless otherwise stated, the information contained in this Information Circular is given as at April 7, 2020.

No person has been authorized by the Corporation to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

Each outstanding Common Share is entitled to one vote on each resolution voted on at the Meeting. The Board of Directors of the Corporation (the "Board") has fixed the record date for the Meeting at the close of business on April 17, 2020 (the "Record Date"). The Corporation will prepare, as of the Record Date, a list of Shareholders entitled to receive the Notice of Meeting and showing the number of Common Shares held by each such Shareholder. Each Shareholder named in the list is entitled to vote the Common Shares shown opposite such Shareholder's name at the Meeting except to the extent that such Shareholder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting, by 4:30 pm (Mountain Daylight Time) not later than 10 days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

A quorum for the transaction of business at the Meeting shall be present if two Shareholders holding in the aggregate not less than five percent (5%) of the Common Shares entitled to vote at the Meeting are present in person or represented by proxy.

Those Shareholders who desire to be represented at the Meeting by proxy must deposit their proxy with the Corporate Secretary of the Corporation c/o the Corporation's Transfer Agent and Registrar, Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, ON M5J 2Y1, no later than two (2) business days (excluding Saturdays, Sundays and holidays) before the day of the Meeting, or adjournment or adjournments thereof. A proxy must be executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its seal by an officer or attorney thereof duly authorized.

**The persons named in the accompanying proxy are directors and officers of the Corporation. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the proxy. To exercise this right, the Shareholder must strike out the name of the persons named in the proxy and insert the name of his or her nominee in the space provided or complete another appropriate form of proxy and, in either case, deposit the proxy with the Corporation at the place and within the time period specified above for the deposit of proxies.**

#### Persons Making the Solicitation

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Meeting and this Information Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by directors and officers of the Corporation, who will not be specifically remunerated therefor. While no arrangements have been made to date by the Corporation, the Corporation may

contract for the distribution and solicitation of proxies for the Meeting. The costs incurred by the Corporation in soliciting proxies will be paid by the Corporation.

### **Exercise of Discretion by Proxy**

The Common Shares represented by the Instrument of Proxy enclosed with this Notice of Meeting and this Information Circular will be voted for or against in accordance with the instructions of the Shareholder, but if no specification is made, they will be voted in favour of the matters set forth in the proxy. If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

### **Revocation of Proxies**

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends personally at the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and signed by a duly authorized officer or attorney for the corporation, and deposited at the registered office of the Corporation at any time up to and including the last day (other than Saturdays, Sundays and holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment or adjournments thereof, or with the Chairman of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, prior to the commencement of the Meeting.

### **Advice to Beneficial Holders of Securities**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of beneficial Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically mails its voting instruction form (a "Voting Instruction Form"), which may be scanned, in lieu of the form of proxy. Beneficial Shareholders will be requested to complete and return the Voting Instruction Form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. The toll-free number and website will be provided by Broadridge on its Voting Information Form. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form from Broadridge cannot use that Voting Instruction Form to vote Common Shares directly**

**at the Meeting, as the Voting Instruction Form must be returned as directed by Broadridge in advance of the Meeting in order to have the Common Shares voted.**

#### **Attendance at Meeting Discouraged in light of COVID-19 Pandemic**

The Corporation intends to hold the Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, the Corporation asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) ([www.canada.ca/en/public-health.html](http://www.canada.ca/en/public-health.html)) and Alberta Health Services ([www.albertahealthservices.ca](http://www.albertahealthservices.ca)). Access to the Meeting will, subject to the Corporation's by-laws, be limited to essential personnel and registered Shareholders and proxyholders entitled to attend and vote at the Meeting. The Corporation encourages Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Corporation encourages Shareholders to vote their Common Shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Shareholders.

The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, the Corporation will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at [www.inventronics.com](http://www.inventronics.com) for updated information.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As at April 7, 2020, 4,405,145 Common Shares were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting is not less than two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy, and representing in the aggregate not less than 5% of the Common Shares entitled to be voted at the Meeting.

To the knowledge of the directors and officers of the Corporation, as at April 7, 2020, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation other than 1437891 Alberta Ltd. that, as of the date of this Information Circular, beneficially owned, or controlled or directed, directly or indirectly, 3,020,000 Common Shares representing approximately 69% of the outstanding Common Shares. The directors, officers and shareholders of 1437891 Alberta Ltd. are Dan J. Stearne, Tracy L. Dobson and Daniel C.Y. O'Greysik, who are all directors and/or officers of the Corporation and W. Garth Wilson, a former director and officer of the Corporation.

#### **Common Shares**

The holders of Common Shares are entitled to one vote per Common Share at meetings of Shareholders, to receive any dividend as and when declared by the Board and to receive pro rata upon liquidation, dissolution or winding-up of the Corporation, the remaining property of the Corporation. All of the Common Shares issued and outstanding as of the date of this Circular have been issued as fully paid and non assessable.

The Corporation has not declared or paid dividends on the Common Shares since incorporation and any decision made by the Board to pay dividends will be on the basis of the Corporation's earnings, financial requirements and other conditions existing at that time.

#### **BUSINESS TO BE TRANSACTED AT THE ANNUAL AND SPECIAL MEETING**

Shareholders will be asked at the Meeting to consider, and if deemed advisable, to approve the resolutions in respect to the matters outlined below. Each Shareholder entitled to vote at the Meeting will be entitled to cast one vote for each Common Share held with respect to the resolutions. The resolutions require the approval of a simple majority of the votes cast by those Shareholders who vote in person or by proxy at the Meeting. The members of the Board believe that approvals of resolutions in respect of these matters are in the best interest of the Corporation and recommend that Shareholders vote in favour of the resolutions.

### **Fixing Number of Directors and Election of Directors**

Inventronics' affairs are managed by the Board whose members are elected annually for a one-year term at each annual meeting of the Shareholders and hold office until the next annual meeting, or until their successors are duly elected or appointed or until a director vacates his office or is replaced in accordance with the Corporation's bylaws.

The Shareholders are entitled to elect Inventronics' directors. The persons named in the below table will be nominated for election and have consented to nomination. Management does not contemplate that any of the nominees will be unable to serve as a director. The Corporation has not received notice of, and management is not aware of, any proposed nominees in addition to those named below.

The Board presently consists of six (6) members. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6) members and in favour of the election as directors of the six (6) nominees hereinafter set forth:

Dan J. Stearne	Robert P. Brookwell
Tracy L. Dobson	Daniel C.Y. O'Greysik
Nicole L. Maruzzo	Michael J. Martin

The following table sets out the names and places of residence of Inventronics' proposed directors, their principal occupations for the last five years, their positions and offices with the Corporation, the dates upon which each first became a director, and the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, as at April 7, 2020.

<b>Name, Place of Residence and Office or Position</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Shares Beneficially Owned, Controlled or Directed</b>
Dan J. Stearne <sup>(1)</sup> British Columbia, Canada President, Chief Executive Officer, Director	President and Chief Executive Officer of the Corporation since March 2012 and from May 2000 until May 2011.	Sept. 17, 1998	55,000 <sup>(2)</sup>
Robert P. Brookwell Alberta, Canada Chief Financial Officer, Director	Chief Financial Officer of the Corporation since September 2019; independent financial and operations consultant since July 2016. Prior thereto, Executive Vice President and Chief Financial Officer of Gemini Corporation, a TSXV listed energy services firm from April 2005 to June 2016.	Feb. 22, 2019	Nil
Tracy L. Dobson Manitoba, Canada Vice President, Operations, Director	Vice President, Operations of the Corporation and has held various positions with the Corporation since April 2000.	Nov. 24, 2017	Nil <sup>(2)</sup>
Daniel C.Y. O'Greysik Manitoba, Canada Vice President, Sales & Marketing, Director	Vice President, Sales & Marketing of the Corporation and has held various roles with the Corporation since 1996.	Apr. 17, 2014	Nil <sup>(2)</sup>
Nicole L. Maruzzo <sup>(1)</sup> Ontario, Canada Director	Executive Director, Player One Amusement Group, a division of Cineplex Entertainment, a publicly listed company, since February 2016; and from March 2011 to February 2016, Senior Associate, Finance and later Manager, Finance at Onex Corporation, a publicly listed private equity and holding company.	Jun. 23, 2017	Nil
Michael J. Martin <sup>(1)</sup> Alberta, Canada Director	Chief Financial Officer with Empire Industries Ltd., a publicly listed company that manufactures specialized engineered products for domestic and select international markets.	Jun. 23, 2017	Nil

**Notes:**

- (1) Member of Corporation's Audit and Corporate Governance Committee.
- (2) Each of Mr. Stearne, Ms. Dobson and Mr. O'Greysik hold 25% of the issued and outstanding shares of 1437891 Alberta Ltd., which holds 3,020,000 Common Shares, representing approximately 69% of the issued and outstanding Common Shares. Together with the 55,000 Common Shares held by Mr. Stearne, these individuals, who are directors of the Corporation, as a group, beneficially own, control or direct, directly or indirectly, 3,075,000 Common Shares, or approximately 70% of the outstanding Common Shares.

***Corporate Cease Trade Orders or Bankruptcies***

During the past ten (10) years, none of the proposed directors of Inventronics is or has been a director, chief executive officer or chief financial officer of any company that: (i) was the subject of a cease trade order or similar order or an order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days while the proposed director was acting in such capacity; or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days 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. None of the proposed directors of Inventronics is as at the date of the Information Circular, or has been within 10 years before the date of the Information 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.

### ***Personal Bankruptcies***

During the past ten (10) years, none of the proposed directors of Inventronics has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### ***Penalties or Sanctions***

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.

### **Ratification of Stock Option Plan**

Pursuant to TSX Venture Exchange ("TSXV" or the "Exchange") Policy 4.4 (the "Option Policy") the Corporation is permitted to maintain a "rolling" stock option plan (the "Stock Option Plan") reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options. In accordance with the Option Policy, rolling option plans must receive shareholder approval yearly at the Corporation's annual meeting.

Shareholders will therefore be asked at the Meeting to consider and, if thought advisable, to ratify and approve the existing Stock Option Plan (the "Option Plan Resolution"). The Stock Option Plan was initially approved by the Shareholders on June 20, 2005. The Corporation currently has 400,000 outstanding options to purchase Common Shares (the "Options"), at a weighted average exercise price of \$0.116 per share.

The Stock Option Plan provides for the granting of Options to purchase Common Shares to directors, officers, employees and consultants of the Corporation or any of its subsidiaries. The Stock Option Plan is administered by the Board, or a committee of the Board appointed from time to time for such purpose. Options may be granted at the discretion of the Board or a committee thereof, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan. The number of Common Shares issuable upon exercise of the Options granted under the Stock Option Plan is not more than 10% of the number of Common Shares that are issued and outstanding. The total number of Options to be granted to any one optionee in a twelve month period may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis) at the date of the grant of the Option. The aggregate issuance of Common Shares to "Insiders" (as such term is defined in the Stock Option Plan) pursuant to the Stock Option Plan within a one-year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis).

The exercise price of Options granted under the Stock Option Plan will be fixed by the Board, provided that such exercise price may not be less than the market price, currently being the closing price of the Common Shares on the TSXV on the trading day preceding the date of grant of the Common Shares, or such other prices as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange. The Options granted under the Stock Option Plan generally will vest over a period of two years and will expire after five or ten years.

The foregoing summary is subject to the specific provisions of the Stock Option Plan. There are presently 400,000 Options outstanding under the Stock Option Plan. If the Stock Option Plan is approved at the Meeting, an additional 40,514 Options may be granted.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution in the following form:

"BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation that:

1. the stock option plan (the "Stock Option Plan") of the Corporation, on the terms described in the accompanying management proxy circular of the Corporation be and the same is hereby ratified, confirmed and approved;

2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed Stock Option Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

Unless otherwise directed, it is the intention of management to vote the proxies in the accompanying form in favour of the Stock Option Plan Resolution.

### **Appointment and Remuneration of Auditors**

At the Meeting, the Shareholders will be asked, by ordinary resolution, to appoint Meyers Norris Penny LLP, of Winnipeg, Manitoba as auditors to serve until the close of the next Annual Meeting of Shareholders of the Corporation and to authorize the Board to fix their remuneration. Unless otherwise directed, it is the intention of management of the Corporation to vote proxies in the accompanying form in favour of the appointment of Meyers Norris Penny LLP as auditors of the Corporation.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Corporation's Named Executive Officers ("NEO") (as defined in Form 51-102F6 of National Instrument 51-102 *Continuous Disclosure Obligations*) included the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Vice President, Operations ("VP Operations") and the Vice President, Sales & Marketing ("VP Sales") (collectively also referred to as the "NEO Group"). The Board does not presently have a compensation committee and as such all decisions relating to compensation are made by the Board. A compensation consultant was engaged in 2019 to review the Corporation's flexible pay program ("Flex-pay"), which is designed to vary depending on the financial performance of the Corporation. The resultant report was delivered to the Board and certain adjustments to the factors used in the calculation of the Flex-pay program will be incorporated in 2020. Less than \$1,000 was billed by the compensation consultant in 2019 related to the review of the Flex-pay program. No other fees were billed by any compensation consultant to the Corporation in 2018 or 2019.

The Board reviews the NEO compensation annually to ensure that the compensation levels are commensurate with their experience, qualifications and responsibilities to the Corporation. It is the Board's opinion that the current compensation structure is appropriate for the Corporation's financial capacity and prevailing economic conditions.

The Corporation's compensation plan for each full-time member of the NEO Group (VP Operations and VP Sales) included an annual base salary for 2019 of \$130,000 (2018 - \$127,500), a Flex-pay component designed to vary depending on the financial performance of the Corporation, and an auto allowance totalling \$9,000 (2018 - \$5,250). Recognizing that the CEO functions on a part-time basis, the CEO's compensation included an annual base salary equal to approximately one-third of the annual base salary of the full-time members of the NEO Group, or \$39,332, participation in Flex-pay, and an auto allowance totalling \$9,000 (2018 - \$5,250).

The former CFO had served in a full-time capacity until August 1, 2018 at which time he began to serve on a part-time basis. Prior to the switch from full-time to part-time in 2018, he was receiving an annual salary of \$127,500. Upon switching from full-time to part-time, the former CFO and the Corporation entered into a contract termination agreement pursuant to which the Corporation agreed to pay the former CFO an aggregate of \$187,500 over 36 months at a rate of \$5,208 per month with no interest until July 1, 2021. The former CFO continued on a part-time basis at an annual salary of \$42,800 until April 2019.

In June of 2019, the Corporation appointed a replacement part-time CFO on a contract basis with the rate of compensation varying based on the time requirements of the Corporation. In connection with this appointment, the Board granted the new CFO 100,000 Options pursuant to the Stock Option Plan. Each Option entitles him to purchase one Common Share at an exercise price of \$0.165 and is exercisable for a period of five (5) years from the date of the grant.

The objective of the compensation plan is to link compensation for the NEO Group to the financial performance of the Corporation. Flex-pay is determined by calculating, at each month end, the Corporation's year-to-date free cash flow and, if the result is positive, 40% of the free cash flow is added to the aggregate compensation to be paid to the NEO Group. Aggregate compensation (base plus Flex-pay) for the NEO Group is structured to not exceed \$1,000,000 in any particular year, and during 2019, Flex-pay totalling \$264,977 was paid. The NEO Group receives no compensation as members of the Board. There were 100,000 Options issued and 100,000 Options cancelled during the year ended December 31, 2019.

There are no restrictions on the ability of the NEOs or members of the Board to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or members of the Board.

### Summary Compensation Table

The following table sets forth for the years ended December 31, 2019, 2018 and 2017 information concerning the compensation paid to the NEOs.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(5)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(3)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dan J. Stearne <sup>(1)</sup> President and CEO	2019	120,991	-	-	-	-	-	9,000	129,991
	2018	43,360	-	-	-	-	-	5,250	48,610
	2017	51,927	-	-	-	-	-	9,000	60,927
Robert P. Brookwell <sup>(4)</sup> CFO	2019	42,950	-	6,000	-	-	-	2,000	50,950
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
W. Garth Wilson <sup>(2)</sup> CFO	2019	36,421	-	-	-	-	-	62,500	98,921
	2018	93,698	-	-	-	-	-	26,042	119,740
	2017	151,596	-	-	-	-	-	20,050	171,646
Tracy L. Dobson <sup>(1)</sup> Vice President, Operations	2019	221,659	-	-	-	-	-	20,050	241,709
	2018	127,500	-	-	-	-	-	16,300	143,800
	2017	152,596	-	-	-	-	-	20,050	172,646
Daniel O'Greysik <sup>(1)</sup> Vice President, Sales & Marketing	2019	221,659	-	-	-	-	-	20,050	241,709
	2018	127,500	-	-	-	-	-	16,300	143,800
	2017	152,596	-	-	-	-	-	20,050	172,646

#### Notes:

- (1) Three members of the NEO Group own an aggregate 75% of the shares of a corporation (the "Controlling Shareholder") that holds approximately 69% of the outstanding Common Shares. In addition to the compensation paid to each of the NEOs set out in the above table, the Corporation pays a fee of \$1,000 per month to the Controlling Shareholder. During the year ended December 31, 2019, total fees paid to the Controlling Shareholder were \$12,000 (2018 - \$12,000, 2017 - \$12,000).
- (2) Mr. Wilson ceased to be a full-time employee of the Corporation on August 1, 2018. Mr. Wilson continued to act as CFO of the Corporation on a part-time basis until April 18, 2019. As of the effective date of Mr. Wilson's transition from full-time to part-time employment status, his annual compensation was adjusted down to an annual value of \$42,800. Amounts under "All other compensation" for Mr. Wilson include payments of a contract termination fee in connection with Mr. Wilson's termination as the full-time Chief Financial Officer in 2018. Pursuant to a contract termination agreement entered into between the Corporation and Mr. Wilson effective August 1, 2018, the Corporation agreed to pay Mr. Wilson an aggregate of \$187,500 over 36 months at a rate of \$5,208 per month with no interest. This payment of the contract termination fee will be completed on July 1, 2021.
- (3) The value of perquisites received by each of the NEOs, including property or other personal benefits provided to them that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year. The amounts under "All other compensation" reflect contributions by the Corporation on behalf of the NEOs (other than the CEO and CFO) to a group Registered Retirement Savings Plan, plus the payment of a monthly auto allowance as described above.
- (4) Mr. Brookwell was engaged to provide interim CFO services on a contract basis in June 2019 and subsequently appointed CFO in September 2019 and was compensated on specified terms that did not include any perquisites. Fees paid to Mr. Brookwell in his capacity as a director of the Corporation prior to his appointment as CFO are included under "All other compensation".
- (5) Option-based awards represent the grant date fair value of Options granted under the Option Plan as calculated using the Black-Scholes option-pricing model. The assumptions for the model were a risk-free interest rate of 1.25%, option life of 5 years, expected future volatility of 40% and no dividends or forfeiture rate.

## Incentive Plan Awards

For details with respect to the Stock Option Plan of the Corporation, see "Matters to be Transacted at the Annual and Special Meeting – Ratification of Stock Option Plan".

### *Outstanding Share-Based Awards and Option-based Awards*

The following table sets forth for each NEO, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 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 <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 (\$)
Dan J. Stearne	100,000	\$0.10	Oct. 24, 2022	\$12,000	-	-
Robert P. Brookwell	100,000	\$0.165	Sept. 10, 2024	\$5,500	-	-
Tracy Dobson	100,000	\$0.10	Oct. 24, 2022	\$12,000	-	-
Daniel O'Greysik	100,000	\$0.10	Oct. 24, 2022	\$12,000	-	-

**Notes:**

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2019 and the exercise price of the Options. The closing market price at December 31, 2019 was \$0.22.

The following table sets forth for each NEO, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2018.

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 (\$)
Dan J. Stearne	100,000	\$0.10	Oct. 24, 2022	-	-	-
W. Garth Wilson	100,000	\$0.10	Oct. 24, 2022	-	-	-
Tracy Dobson	100,000	\$0.10	Oct. 24, 2022	-	-	-
Daniel O'Greysik	100,000	\$0.10	Oct. 24, 2022	-	-	-

**Notes:**

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2018 and the exercise price of the Options. The closing market price at December 31, 2018 was \$0.06.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

There were 33,333 Options that vested during the year ended December 31, 2019 held by Robert P. Brookwell. The value of Mr. Brookwell's vested Options on the date on which such Options vested was \$Nil. This value was calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options on the vesting date.

No option-based awards vested in the year ended December 31, 2018. No share-based awards vested and no non-equity compensation were awarded to NEOs in the years ended December 31, 2018 and December 31, 2019.

## Pension Plan Benefits

The Corporation has no pension plan but does make contributions to a group Registered Retirement Savings Plan on behalf of its employees including the Corporation's NEOs.

## Termination and Change of Control Benefits

As at December 31, 2019, the Corporation had identical employment agreements with each full-time member of the NEO Group which establishes salary, benefits and other general employment provisions. The employment agreements also provide a right to be paid a severance amount, in the event of termination of employment by the Corporation for any reason other than just cause, equal to one and one-half times the aggregate of the base salary plus any Flex-pay paid in the previous twelve months prior to the termination date plus the value of the Corporation's contributions to any benefit plans for the prior twelve months prior to the termination date. If Mr. O'Greysik or Ms. Dobson had been terminated as at December 31, 2019, the amount payable to each would have been \$378,341 or \$370,115, respectively.

In addition, under the terms of the Option Plan, the vesting of all unvested Options shall be accelerated upon the making of a take-over bid as defined in the *Securities Act* (Alberta) (which is not exempt from the take-over bid requirements of the *Securities Act* (Alberta)) for the Common Shares. As at December 31, 2019, there were 66,667 unvested Options issued to an NEO and as a result if a take-over bid was made on December 31, 2019, the value of the accelerated unvested Options would be \$3,667 for the NEO.

## Director Compensation

Independent directors of Inventronics are paid \$500 per meeting attended in person or otherwise. The non-independent directors do not receive any compensation for serving as directors. The Corporation reimburses all directors for any expenses incurred with respect to attendance at meetings of the Board or committees thereof.

Independent directors of Inventronics are entitled to participate in, and may receive Options under, the Option Plan. As at December 31, 2019 and December 31, 2018, independent directors did not hold any outstanding Options.

### *Directors' Summary Compensation Table*

The following table sets forth for the year ended December 31, 2019, information concerning the compensation paid to directors of the Corporation other than directors who were also NEOs.

Name	Fees (\$)	Other Compensation (\$)	Total (\$)
Nicole L. Maruzzo <sup>(1)</sup>	2,000	-	2,000
Michael J. Martin <sup>(1)</sup>	2,000	-	2,000

#### Notes:

- (1) Ms. Maruzzo and Mr. Martin were re-elected as directors of the Corporation on February 22, 2019.
- (2) Fees previously paid to Mr. Brookwell in his capacity as a director of the Corporation prior to his appointment as CFO are included in "Statement of Executive Compensation – Summary Compensation Table" above.

The following table sets forth for the year ended December 31, 2018, information concerning the compensation paid to directors of the Corporation other than directors who were also NEOs.

Name	Fees (\$)	Other Compensation (\$)	Total (\$)
Nicole L. Maruzzo	1,500	-	1,500
Michael J. Martin	1,500	-	1,500

### *Directors' Outstanding Option-Based Awards and Share-Based Awards*

There were no option-based awards or share-based awards outstanding at December 31, 2019 or December 31, 2018 for any current or former directors of the Corporation other than directors who were also NEOs.

### *Directors' Incentive Plan Awards – Value Vested or Earned During the Year*

The Corporation does not have any share-based awards outstanding. No option-based or non-equity incentive plan compensation was earned during the years ended December 31, 2019 and December 31, 2018 by any of the directors who were not also NEOs.

## Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2019.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	400,000	\$0.116	40,514
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>400,000</b>	<b>\$0.116</b>	<b>40,514</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer or any associate or affiliate of any such director or officer or any employee is, or has at any time since the beginning of the most recently completed financial year of the Corporation, been indebted to the Corporation or any of its subsidiaries; nor is, or has, at any time since the beginning of the most recently completed financial year of the Corporation, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors or executive officers of the Corporation, or any person or company who beneficially owns more than 10% of the outstanding Common Shares (or any director or executive officer of any such person or company), in any transaction since the commencement of the last fiscal year which has or would materially affect the Corporation.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN THE MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, ratification of the Stock Option Plan and as otherwise set out herein.

## AUDIT AND CORPORATE GOVERNANCE COMMITTEE INFORMATION

### Audit Committee Mandate and Terms of Reference

The mandate and responsibilities of the Audit and Corporate Governance Committee of the Board of Directors (the "Audit and Corporate Governance Committee") of the Corporation is attached hereto as Schedule "A".

### Composition of the Audit and Corporate Governance Committee

The members of the Audit and Corporate Governance Committee are Dan J. Stearne, Nicole L. Maruzzo and Michael J. Martin, all of whom are financially literate pursuant to National Instrument 52-110 *Audit Committees* ("NI 52-110") as they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Corporation's financial statements. Ms. Maruzzo and Mr. Martin are considered independent members of the Audit Committee. Mr. Stearne is not considered independent as he is an executive officer of the Corporation.

### Relevant Education and Experience

Mr. Stearne is a member of the Chartered Professional Accountants of Canada and has over 30 years experience as a director, Chief Executive Officer or Chief Financial Officer of Canadian public companies.

Ms. Maruzzo is a member of the Chartered Professional Accountants of Canada and the Illinois Certified Public Accountants Society. Ms. Maruzzo is the Executive Director of a division of a Toronto Stock Exchange ("TSX") listed company and, prior to that, was a finance manager with a TSX-listed private equity firm and holding company.

Mr. Martin is a member of the Chartered Professional Accountants of Canada. Mr. Martin is the Chief Financial Officer with a TSXV-listed company and, prior to that, was the Controller with a technology company.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit and Corporate Governance Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Pre-Approval of Policies and Procedures**

The Audit and Corporate Governance Committee shall review and pre-approve all non-audit services to be provided to the Corporation by its external auditors.

### **External Auditor Service Fees**

#### ***Audit Fees***

The aggregate fees billed by the Corporation's external auditor related to audit services for the 2019 fiscal year were \$32,100 (2018 - \$32,100).

#### ***Audit-Related Fees***

No fees were billed in the last two fiscal years for assurance related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements that are not reported under "Audit Fees" above.

#### ***Tax Fees***

The aggregate fees billed by the Corporation's external auditor for tax return preparation services related to the 2019 fiscal year were \$2,836 (2018 - \$2,836).

#### ***All Other Fees***

No fees were billed in the last two fiscal year for products and services provided by the Corporation's auditors other than services reported above.

#### ***Exemption***

As the Corporation is listed on the TSXV, it is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

As the Corporation is a Venture Issuer (as defined under NI 58-101), the prescribed corporate governance disclosure pursuant to TSXV policies for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101.

### **1. Board of Directors**

#### **(a) Disclose the identity of directors who are independent.**

Ms. Maruzzo and Mr. Martin are considered to be independent directors of the Corporation.

#### **(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Mr. Stearne, Mr. Brookwell, Ms. Dobson, and Mr. O'Greysik are not independent as all are officers of the Corporation.

**2. Directorships**

**If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

None of the directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent).

**3. Orientation and Continuing Education**

**Briefly describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.**

Due to the size of the Board, no formal program exists for the orientation of new directors. Upon joining the Board, new directors are given copies of the Board's Governance Manual which includes copies of the mandates of the Board, mandates of each committee of the Board and the Corporation's Code of Business Conduct and Ethics. In addition, new directors undergo orientation and education conducted by existing directors on an informal basis. For further information with respect to the responsibilities of the Board, please see the Mandate and Responsibilities of the Board of Directors which is attached as Schedule "B" to this Information Circular.

No formal continuing education program currently exists for the directors of the Corporation; however, the Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director has the responsibility for ensuring that he or she maintains the skills and knowledge necessary to meet his or her obligations as a director.

**4. Ethical Business Conduct**

**Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.**

The Board has adopted a Code of Business Conduct and Ethics applicable to the directors, officers and employees of the Corporation. A copy of the Code of Business Conduct and Ethics can be obtained from the Corporation and is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Corporation has adopted a "Whistleblower Program" which provides the employees, management, officers, directors, contractors, consultants and the committee members with the ability to report, on a confidential and anonymous basis, any complaints and concerns regarding accounting, internal auditing controls or auditing matters, including, but not limited to, unethical and unlawful accounting and auditing policies, practices or procedures, fraudulent or misleading financial information and instances of corporate fraud. The Board believes that providing a forum for such individuals to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within the Corporation.

**5. Nomination of Directors**

**Describe the process by which the board identifies new candidates for board nomination.**

The Board is responsible for selecting nominees for election to the Board. At present, there is no formal process to identify new candidates for nomination.

**6. Compensation**

**Disclose what steps, if any, are taken to determine compensation for the directors and the CEO, including: (i) who determines compensation; and (ii) the process for determining compensation.**

The members of the Board who are officers and employees of the Corporation receive no compensation for serving as directors of the Corporation. In the past, independent members have accepted nominal consideration for their roles as directors of the Corporation.

The Board does not presently have a Compensation Committee. Decisions with respect to compensation are made by the Board as a whole.

See "Statement of Executive Compensation – Compensation Discussion and Analysis".

**7. Other Board Committees**

**If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.**

In addition to its responsibilities with respect to financial reporting, the Audit and Corporate Governance Committee is responsible for corporate governance matters relating to the Corporation. This Committee is responsible for: (i) monitoring the appropriateness of governance systems with regard to external governance standards; (ii) reviewing the make-up and needs of the Board; and (iii) evaluating and assessing the effectiveness of the Board. For further information with respect to the responsibilities of the Audit and Corporate Governance Committee please see the Mandate and Responsibilities of the Audit and Corporate Governance Committee which is attached as Schedule "A" to this Information Circular.

**8. Assessments**

**Disclose what steps, if any, that the board takes to satisfy itself that the board, its committee and its individual directors are performing effectively.**

As part of its mandate, the Audit and Corporate Governance Committee is responsible for reviewing annually: (i) individual director performance and the performance of the Board as a whole, including processes and effectiveness; and (ii) the performance of the Chairman of the Board (if the Board has a Chairman).

**OTHER MATTERS**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

**ADDITIONAL INFORMATION**

Additional information relating to Inventronics is available on SEDAR at [www.sedar.com](http://www.sedar.com), and at Inventronics website [www.inventronics.com](http://www.inventronics.com). Financial information is provided in the comparative financial statements and management's discussion and analysis for the year ended December 31, 2019. To receive a copy of the financial statements and related management's discussion and analysis please contact Inventronics Limited, 1420 Van Horne Avenue East, Brandon, Manitoba, R7A 7B6. The financial statements and related management's discussion and analysis may also be accessed on SEDAR at [www.sedar.com](http://www.sedar.com). None of the information available on the website or on SEDAR at [www.sedar.com](http://www.sedar.com) is deemed to be incorporated by reference herein.

**SCHEDULE "A" TO THE  
INFORMATION CIRCULAR - MANAGEMENT PROXY STATEMENT  
OF INVENTRONICS LIMITED DATED APRIL 7, 2020**

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**MANDATE AND RESPONSIBILITIES OF  
THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
EFFECTIVE SEPTEMBER 14, 2007**

***Role and Objectives***

The Audit and Governance Committee (the "Committee") is a committee of the board of directors (the "Board") of Inventronics Limited ("Inventronics" or the "Corporation") to which the Board has delegated its responsibility for: (i) oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information; and (ii) developing the approach of the Corporation to matters concerning corporate governance and, from time to time, shall review and make recommendations to the Board as to such matters. The primary objectives of the Committee are as follows:

- To assist the directors to meet their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Inventronics and related matters;
- To provide better communication between directors and external auditors;
- To enhance the external auditor's independence;
- To increase the credibility and objectivity of financial reports; and to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

***Membership of Committee***

The Committee will be comprised of at least three (3) directors of Inventronics to serve at the pleasure of the Board. Each member will at all times be independent and financially literate as such term is used in Multilateral Instrument 52-110 — *Audit Committees* ("MI 52-110") unless the Board shall have determined that the exemption contained in Section 3.6 of MI 52-110 is available and has determined to rely thereon.

Unless otherwise designated by the Board, the members of the Committee shall elect a Chairman, who shall be an independent director, from among the members.

***Mandate and Responsibilities of Committee with Respect to Audit***

1. It is the responsibility of the Committee to oversee the work of the external auditor engaged for the purpose of preparing or issuing an Auditor's Report or performing other audit, review or attest services for the Corporation, including the resolution of any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.
2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Corporation's Internal Control Systems:
  - (a) identifying, monitoring and mitigating principal risks that could impact the financial reporting of the Corporation;
  - (b) ensuring compliance with legal, ethical and regulatory requirements.
3. It is a primary responsibility of the Committee to review the annual and interim financial statements of the Corporation and related Management's Discussion and Analysis prior to their submission to the Board for approval. The process should include but not be limited to:

- (a) discussing with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (b) reviewing with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
  - (c) reviewing significant accruals or other estimates;
  - (d) reviewing accounting treatment of unusual or non-recurring transactions;
  - (e) ascertaining compliance with covenants under loan agreements;
  - (f) reviewing disclosure requirements for commitments and contingencies;
  - (g) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - (h) reviewing unresolved differences between management and the external auditors; and
  - (i) obtain explanations of significant variances with comparative reporting periods.
4. The Committee is to review the financial statements, prospectuses, MD&A, annual information forms ("AIF") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and shall periodically access the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
  - (a) consider the recommendations of management in respect of the appointment of the external auditor and recommend to the Board the appointment of the external auditor;
  - (b) recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
  - (c) on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
  - (d) when there is to be a change in the external auditor, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
  - (e) review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.
6. Review with the external auditor their assessment of the internal controls of Inventronics, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses.
7. The Committee shall review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Inventronics.
8. The Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and all potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
9. The Committee shall establish a procedure for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. The Committee shall review and approve the Corporation's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of the Corporation.
11. The Committee shall have the authority to:
  - (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
  - (b) discuss with the management of the Corporation, its subsidiaries and affiliates and senior staff of the Corporation, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
  - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (d) set and instruct the Corporation to pay the compensation for any advisors employed by the Committee; and
  - (e) communicate directly with the internal and external auditors of the Corporation.
12. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of the Corporation without any further approval of the Board.
13. The Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.

***Mandate and Responsibilities of Committee with Respect to Governance***

In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for the following duties:

- annually review the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- to consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time;
- to make recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- to review on a periodic basis the composition of the Board and ensure that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
- to recommend suitable candidates for nominees for election or appointment as directors, and recommend the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
  - the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - the competencies and skills that the Board considers each existing director to possess;
  - the competencies and skills each new nominee will bring to the boardroom; and
- whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- as required, develop, for approval by the Board, an orientation and education program for new recruits to the Board;
- to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- to develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;

- make recommendations to the Board regarding appointments of corporate officers and senior management;
- review annually the Committee's Mandate and Terms of Reference;
- to review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- establish, review and update periodically a Code of Business Conduct and Ethics (the "Code") and ensure that management has established a system to monitor compliance with the Code; and
- review management's monitoring of the Corporation's compliance with the Code.

### ***Meetings***

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members present in person or by telephone conference call, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
4. The Committee is required to meet in person or by telephone conference call at least four times per year and as often thereafter as required to discharge the duties of the Committees. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.
5. The Committee shall, at the earliest opportunity after each meeting report the results of its activities and reviews undertaken and make recommendations to the Board as deemed appropriate.
6. The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the audit Committee consider appropriate.
7. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, membership on the Committee shall continue until the Committee is reconstituted.
8. The Chair of the Committee will in consultation with the members, determine the schedule, time and place of the meetings, and in consultation with the management and the external auditor, establish the agenda for the meetings.
9. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.
10. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

**SCHEDULE "B" TO THE  
INFORMATION CIRCULAR - MANAGEMENT PROXY STATEMENT  
OF INVENTRONICS LIMITED DATED APRIL 7, 2020**

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**MANDATE AND RESPONSIBILITIES OF  
THE BOARD OF DIRECTORS  
EFFECTIVE SEPTEMBER 14, 2007**

***Introduction***

The Board of Directors (the "Board") of Inventronics Limited (the "Corporation") is responsible for the stewardship of the Corporation and its subsidiaries and has the responsibility to oversee the conduct of the business of the Corporation and its subsidiaries and to oversee management who is responsible for the day-to-day conduct of the business. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation.

This Mandate of the Board of Directors (the "Mandate") is prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

***Composition And Board Organization***

Except as set out in the By-Laws of the Corporation, Board members will be elected at the annual meeting of shareholders each year and will serve until their successors are duly elected.

A majority of directors comprising the Board should be "independent" directors (as such term is defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices*). On an annual basis, the Board will conduct an analysis and make a determination as to the "independence" of each Board member.

Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their respective terms of reference, as amended from time to time.

To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

***Director's Obligations***

Each Director has the responsibility to:

- attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
- act honestly and in good faith and with a view to the best interests of the Corporation; and
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

***Duties And Responsibilities***

**Managing the Affairs of the Board and Governance**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The responsibilities of the Board are described in a separate section of this document. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- developing the Board's approach to governance, which may be delegated to the Audit and Governance Committee;
- planning its composition and size;

- selecting its Chair;
- nominating candidates for election to the Board;
- appointing committees;
- determining director compensation; and
- assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

The Board is responsible to:

- meet in person or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
- hold meetings of the independent directors without management and non-independent directors present, when necessary; and
- comply with the position description applicable to individual directors.

### **Management and Human Resources**

The Board has responsibility for:

- the appointment and termination, if necessary, of the Chief Executive Officer ("CEO") of the Corporation;
- monitoring and evaluating the CEO's performance;
- approving CEO compensation;
- providing advice and counsel to the CEO in the execution of the CEO's duties;
- satisfying itself, to the extent reasonably feasible, as to the integrity of the CEO and that the CEO and other senior officers establish the ethical standards to be observed by all officers and employees, all with the objectives of creating a culture of integrity throughout the organization and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;

The Board has oversight responsibility for:

- appointment and discharge of senior officers;
- acceptance of outside directorships on public companies by senior officers (other than not-for-profit organizations); and
- employment contracts, termination and other special arrangements with senior officers, or other employees.

### **Strategy and Plans**

The Board has oversight responsibility to:

- approve a strategic plan which takes into account the opportunities and risks of the business;
- approve annual capital and operating plans;
- approve material divestitures and acquisitions; and
- monitor the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

### **Financial and Corporate Issues**

The Board has oversight responsibility to:

- take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- monitor the Corporation's operational and financial results;
- monitor the appropriateness of the Corporation's capital structure;
- approve annual and quarterly financial results and approve release thereof by management;
- approve the Management Proxy Circular and documents incorporated by reference therein;
- approve financings, changes in authorized capital, issue and repurchase of common shares, issue of debt securities, listing of common shares and other securities, issue of commercial paper, and related prospectuses;
- recommend appointment of external auditors and approve auditors' fees;
- approve banking resolutions and credit facilities and significant changes in banking relationships;
- review coverage, deductibles and key issues regarding corporate insurance policies; and
- approve the commencement or settlement of litigation that may have a material impact on the Corporation.

## **Business and Risk Management**

The Board has oversight responsibility to:

- ensure management identifies the principal risks of the Corporation's business and use reasonable efforts to ensure that the Corporation maintains appropriate systems to manage these risks;
- receive reports from management on matters relating to, among others, ethical conduct, environmental management, employee health and safety, and related party transactions;
- assess and monitor management disclosure and internal control systems;
- assess information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems; and
- understand principal risks and review whether the Corporation achieves a proper balance between risk and returns, and that management ensures that systems are in place to address the risks identified.

## **Policies and Procedures**

The Board has oversight responsibility to:

- approve and monitor compliance with all significant policies and procedures by which the Corporation and its subsidiaries are operated;
- direct management to ensure that the Corporation and its subsidiaries operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
- review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflicts of interest and ethics and the environment).

## **Compliance Reporting and Communications**

The Board has oversight responsibility to:

- ensure the Corporation has in place effective communication processes with shareholders and other stakeholders and financial, regulatory and other recipients;
- approve interaction with shareholders on all items requiring shareholder response or approval;
- ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- ensure the financial results are reported fairly and in accordance with generally accepted accounting principles;
- ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- ensure that the Corporation has a policy in place to enable the Corporation to communicate effectively with its shareholders and the public generally; and
- report annually to shareholders on the Board's stewardship for the preceding year.

## **Legal Matters**

The Board is responsible for:

- overseeing management to ensure corporate legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
- approving changes in the By-laws, Articles, matters requiring shareholder approval, and agendas for shareholder meetings; and
- approving the Corporation's legal structure, name and/or mission statement, if any.

## ***Standards of Liability***

Nothing contained in these terms of reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of its committees. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.