



# **IMAGING DYNAMICS COMPANY LTD.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

to be held at the offices of  
Imaging Dynamics Company Ltd.  
110 Macintosh Blvd, Unit 2  
Toronto, ON L4K 4P3

**on**

**Tuesday, February 20, 2024, at 10 a.m. (Eastern time)**

# IMAGING DYNAMICS COMPANY LTD.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 20, 2024

The Annual General and Special Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Imaging Dynamics Company Ltd. (the “**Corporation**”) will be held at the offices of the Corporation at Unit 2, 110 Macintosh Blvd, Toronto, ON L4K 4P3 on Tuesday, February 20, 2024 at 10 a.m. (Eastern time) in order to:

1. Receive and consider the financial statements for the fiscal year ended December 31, 2022;
2. to fix the number of directors to be elected at the meeting at five (5);
3. to elect the directors of the Corporation (the “**Board**”) for the ensuing year;
4. to approve the re-appointment of KMSS LLP as auditors of the Corporation for the ensuing year, at a remuneration to be fixed by the Board;
5. to consider, and, if deemed advisable to approve an ordinary resolution to re-approve the stock option plan of the Corporation;
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponements thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the management information circular and proxy statement accompanying this Notice of Annual General and Special Meeting (the “**Information Circular**”).

If you are a registered Shareholder and are unable to attend the Meeting or any adjournment thereof in person, please complete, sign and mail the enclosed form of proxy to, or deposit it with, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

Only shareholders of record at the close of business on January 16, 2024 will be entitled to vote at the Meeting, unless that shareholder has transferred any of his shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares, and requests that the transferee’s name be included on the list of shareholders.

DATED at Toronto, Ontario this 18<sup>th</sup> day of January, 2024.

By order of the Board of Directors

*“Jack Chen”*

Jack Chen  
General Manager, Imaging Dynamics Company Ltd.

## IMAGING DYNAMICS COMPANY LTD.

### ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 20, 2024

#### MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

##### GENERAL INFORMATION

###### Introduction

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Imaging Dynamics Company Ltd. (“**IDC**” or the “**Corporation**”), to be used at the annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares of IDC (“**Common Shares**”) to be held on Tuesday, February 20, 2024, at Unit 2, 110 Macintosh Blvd, Toronto, ON L4K 4P3, at **10 a.m.** (Eastern time), or at any adjournment(s) or postponement thereof for the purposes set out in the notice of meeting (the “**Notice of Meeting**”). References in this Information Circular to the Meeting include any adjournment or postponement thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited by certain officers, directors, and regular employees of the Corporation by telephone, electronic mail, or personally. These individuals will receive no compensation for such solicitation other than their regular fees or salaries, if any. The cost of solicitation by management will be borne directly by the Corporation.

The board of directors of IDC (the “**Board**”) has fixed the close of business on January 16, 2024 as the record date (the “**Record Date**”), being the date for the determination of the registered holders of Common Shares entitled to receive notice of and vote at the Meeting.

##### PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the Instrument of Proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers and employees of the Corporation who will not be directly compensated therefor. Any third-party costs thereof will be borne by the Corporation.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

##### APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Computershare Trust Company of Canada (the “**Transfer Agent**”), 100 University Avenue, 8th Floor, Proxy Department, Toronto, Ontario, M5J 2Y1 or by Fax 1-866-249-7775 or by internet at [www.investorvote.com](http://www.investorvote.com), not less than 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof. A proxy must be executed by the shareholder or by his or her attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. If you choose to vote by telephone or internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and holidays prior to the time of the Meeting. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

**Each shareholder submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation.** The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired

representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with the Transfer Agent at the place and within the time specified above for the deposit of proxies.

**An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.** In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with the Transfer Agent at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof.

### NOTICE-AND-ACCESS

The Canadian Securities Administrators have adopted amendments to NI 54-101, which allow for the use of the “notice-and-access” regime for the delivery of meeting materials.

Under the notice-and-access regime, reporting issuers are permitted to deliver the meeting materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each shareholder receiving the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. This notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to Beneficial Shareholders (as defined herein) using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to Beneficial Shareholders which includes instructions on how to access the Corporation’s meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation’s meeting materials pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs.

Notwithstanding the notice-and-access regime, the *Business Corporations Act* (Alberta) (“ABCA”) requires the Corporation to deliver a paper copy of the meeting materials to a registered shareholder unless such shareholder provides written consent to electronic delivery. In order to ensure compliance with the ABCA, registered shareholders who have not previously consented to electronic delivery will be mailed a copy of the meeting materials this year, together with a mail card soliciting a registered shareholders consent to electronic delivery in future years.

### EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder. **The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.**

**Unless otherwise specified, proxies in the accompanying form will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted for the resolutions referred to in the proxy.**

## ADVICE TO BENEFICIAL SHAREHOLDERS

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the 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). Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). 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 who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to shareholders in this Information Circular and the accompanying instrument of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

## REVOKABILITY OF PROXY

You may revoke your proxy at any time prior to a vote. If you attend personally at the Meeting, you 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 executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the Corporation. To be effective the instrument in writing must be deposited either at the Corporation’s head office, or with Computershare Trust Company of Canada, at any time up to and including the last business day before the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment

thereof. Beneficial Shareholders who wish to revoke their proxy must arrange for their respective intermediaries/brokers to revoke the proxy on their behalf within the time specified by such intermediary/broker.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial interest or otherwise, of any director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate or affiliate of the foregoing in any matter to be acted upon at the Meeting other than the election of directors.

### **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof there were 10,334,550 Common Shares and no preferred shares issued and outstanding. As a Shareholder, you are entitled to one vote for each share you own. A quorum for the transaction of business at the Meeting is 10% of the issued Common Shares entitled to vote at the Meeting, irrespective of the number of persons present.

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person or Corporation beneficially owns, or controls or directs, directly or indirectly 10% or more of the Common Shares other than as set forth below:

Name	Number of Common Shares Owned, Controlled or Directed	Type of Ownership	Percentage of Outstanding Common Shares
New Journey Hospital Group Ltd	4,222,668	Control and direction	40.86%
Shuai Wang	1,101,953	Control and direction	10.66%

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Corporation's board of directors (the "**Board**"), the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting.

#### **1. Financial Statements and Auditors' Report**

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2022 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

#### **2. Fixing Number of Directors to be Elected at the Meeting**

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5). In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at five (5) must be passed by a majority of the votes cast by shareholders who vote in respect of this ordinary resolution.

### 3. Election of Directors

At the Meeting it is proposed that five (5) directors be elected to hold office until the next annual meeting or until their successors are elected or appointed. There are presently five (5) directors of the Corporation, the term of each of which expires at the Meeting.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's city and province of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised.

**Unless otherwise directed, it is the intention of management to vote proxies in favour of the director nominees.** Management of the Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta) to which the Corporation is subject.

Name and Municipality of Residence	Common Shares	Offices Held and Time as Director	Principal Occupation
Yong Yan, Beijing, China	Nil	Director since December 8, 2022	Mr Yan Yong has held the position of Deputy General Manager of the Supply Chain Management Center/Construction Management Department in New Journey Health Group Ltd since March 2021. Mr Yong obtained his master's degree from The Southeast University of Nanjing in 1996.
Tim Seung, <sup>(1)(3)(4)</sup> Toronto, Ontario	Nil	Director since March 1, 2016	Mr. Seung is a Canadian citizen with executive and investment experience in the health care and real estate industries.
Paul Lin, <sup>(1)(2)</sup> Toronto, Ontario	80,000	Director since August 6, 2013 and former Interim Chief Executive Officer	Dr. Paul Lin is a Canadian citizen. He has served on the Board of Directors of other publicly traded companies and as the Chief Executive Officer of Onsino Capital Corporations and the Chief Financial Officer of McVicar Mineral Ltd. and McVicar Resources Inc.
Rong Li, <sup>(1)</sup> Beijing, China	Nil	Director since December 8, 2022	Mrs Rong Li has held the position of Deputy General Manager of the Financial Management Department in New Journey Health Group Ltd since March 2021. Mrs Li obtained her master's degree from The Chinese University of Hong Kong in 2015.
Shu Shang, Beijing, China	Nil	Director since December 8, 2022	Mrs Shu Shang has held the position of Associate Director of the President's Office in New Journey Health Group Ltd since November 2021. Mrs Shang obtained her master's degree from Northumbria University in 2011.

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Executive Committee.

**Corporate Cease Trade Orders**

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director is, as at the date hereof, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation) that (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (b) 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. For the purposes of the hereof, “order” means (a) a cease trade order, (b) an order similar to a cease trade order or (c) an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Tim Seung and Paul Lin were directors of the Corporation while it was the subject of a cease trade order issued by the Ontario Securities Commission on May 6, 2021 as a result of IDC’s failure to file its audited annual financial statements, related management’s discussion and analysis and officer certifications for the year ended December 31, 2020. The audited annual financial statements, related management’s discussion and analysis and officer certifications for the year ended December 31, 2020 were filed on June 21, 2021, and the cease trade order was revoked by the Ontario Securities Commission effective June 22, 2021.

**Bankruptcies**

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, 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 and Sanctions**

To the knowledge of management of the Corporation, no proposed director has been subject to (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

**4. Appointment of Auditors**

At the Meeting, Shareholders will be asked to approve the appointment of the firm of Kenway Mack Slusarchuk Stewart, Calgary, Alberta as the auditor, to hold office until the next annual meeting of shareholders or until its successor is appointed, and to authorize the directors to fix its remuneration.

**Kenway Mack Slusarchuk Stewart LLP has been the auditor of the Corporation since February 2, 2023. Unless a Shareholder has specified otherwise, the management designees, if named as proxy, will vote in favour of the appointment of Kenway Mack Slusarchuk Stewart LLP as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until its successor is appointed and to authorize the directors to fix its**

**remuneration, unless a Shareholder has specified in its proxy that the Shareholder's shares are to be withheld from voting with respect to such resolution.**

## **5. Approval of Stock Option Plan**

The Corporation converted the Rolling Stock Option Plan to a Fixed Number Stock Option Plan on November 2, 2021. The Plan is attached as Schedule "C", a copy of which is also available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The policies of the TSX-V do not require fixed number stock option plans which otherwise comply with the TSX-V policy (as set forth in Section 5.2(a) of Policy 4.4) to be approved by shareholders, but the Corporation is nonetheless requesting such approval in the interests of promoting good corporate governance practices. The Corporation's Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to options outstanding may not exceed 1,000,000 Common Shares. At the Meeting, Shareholders of the Corporation will be asked to consider and, if deemed advisable, to approve the resolution set forth below. The board of directors and management of the Corporation believe that the approval of the Plan is in the best interests of the Corporation and its Shareholders and, accordingly, recommend that Shareholders vote in favour of the approval of the Plan.

At the meeting, the Shareholders will be asked to approve the stock option plan of the Corporation, in the form attached as Schedule "C" to the Information Circular of the Corporation.

**In order for this ordinary resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders at the Meeting. The management designees, if named as proxy, intend to vote in favour of the above resolution unless a Shareholder has specified in its proxy that the Shareholder's shares are to be voted against such resolution.**

## **6. Other Matters**

Management of the Corporation has no knowledge, as at the date hereof, of any amendment, variation or other matter or business other than that referred to in the Notice of Meeting, to be presented for action by the Corporation at the Meeting. 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. The proxy solicited hereunder confers upon the proxy holder the discretionary right to exercise the powers conferred thereunder upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis focuses on the following:

1. The significant elements of IDC's executive compensation program;
2. The principles upon which IDC makes compensation decisions and determines the amount of compensation paid to executive officers and directors; and
3. An analysis of the material compensation decisions made by the Compensation Committee during the financial year ended December 31, 2022.

### **Compensation Committee**

IDC's compensation committee (the "**Compensation Committee**") currently consists of Paul Lin. The Compensation Committee is responsible for determining the compensation of the chairman, chief executive officer, chief financial officer and other senior employees of IDC. The Compensation Committee utilizes several different resources identified by management and approved by the Compensation Committee in reviewing elements of executive compensation and making compensation decisions. However, the Compensation Committee's results are ultimately

an exercise of business judgment and discretion rather than purely formulaic performance measures. The design of each compensation element and 2023 compensation decisions are described further in the sections that follow.

The objectives of the Corporation's compensation program are as follows: (i) to attract and retain the best talent available in the medical diagnostics and devices sector to IDC; (ii) to align the short-term and long-term behaviour of senior management with the interests of shareholders; and (iii) to motivate senior management by rewarding both individual and corporate performance. The Corporation's compensation program is designed to reward the chairman, chief executive officer, chief financial officer and other senior employees of IDC.

#### *Compensation Committee*

The Board has appointed the Compensation Committee comprised of Paul Lin. Paul Lin is independent director as defined under National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201").

The mandate of the Compensation Committee is to:

1. review the Corporation's overall corporate goals and objectives and ensure they are supported by appropriate executive compensation philosophy and programs;
2. annually evaluate the performance of the Chief Executive Officer against predetermined goals and criteria and recommend to the Board the total compensation for the Chief Executive Officer;
3. annually review and provide input in respect of the Chief Executive Officer's recommendations for compensation of the executives that report directly to the Chief Executive Officer;
4. review the succession planning process and results of the process as it relates to executive roles;
5. review, and approve as appropriate, any significant compensation and benefit programs for all employees; and
6. review and recommend to the Board the compensation to be provided to members of the Board and ensure its competitiveness.

The Compensation Committee convenes at least once a year to review compensation for all executive officers and conducts an independent evaluation of compensation for current management. The Compensation Committee submits its recommendations to the Board. The Compensation Committee has the goal of achieving an effective compensation structure that aligns the interests of management with those of the Shareholders.

#### *Executive Compensation*

The Corporation's policy is to provide a compensation package that will:

1. align executive compensation with shareholders' interests;
2. attract and retain qualified executive officers;
3. focus performance by linking incentive compensation to the achievement of corporate objectives and financial results; and
4. encourage retention of key executives for leadership succession.

The Corporation relies solely on the Compensation Committee to determine the compensation of the Corporation's executive officers. While the Compensation Committee considers various factors (as discussed below) when determining executive compensation, it does not apply any formal objectives or criteria.

The components of executive compensation of the Corporation are discussed below. Although each of the components have different objectives, each is considered by the Compensation Committee to be equally important and each must be competitive within the Corporation's peer group.

#### Base Salary

Base salaries for executive officers are determined by the Compensation Committee generally on the basis of position held, related responsibilities and functions performed, having regard to base salary ranges for similar positions in the Corporation's comparative group. The Compensation Committee also considers an annual industry survey containing comparative data for a peer group of companies. Compensation levels generally are equal to median range of salaries set out in the survey, but individual and corporate performance are also considered by the Compensation Committee in assessing compensation.

#### Bonus Plan

Bonuses for executive officers are determined by the Compensation Committee generally on the basis of position held, related responsibilities and functions performed. The Compensation Committee also considers the Corporation's performance.

#### Stock Options

Stock options are granted by the Compensation Committee and, in determining the number of options to be granted, the Compensation Committee generally considers the number and terms of options held by each executive officer, the responsibilities and functions of each executive officer, the individual performance of each executive officer and the overall performance of the Corporation. See "Option-based Awards" in this section for more information.

#### *Compensation of the Chief Executive Officer*

The factors considered by the Compensation Committee in determining total compensation for the Chief Executive Officer, as well as the manner in which these factors are reviewed, are similar to those used in determining total compensation for the other executive officers of the Corporation. However, in the case of the Chief Executive Officer, more weight is generally given to strategic planning to support future shareholder value and the reward for high performance generally takes the form of stock options (rather than some other component(s) of executive compensation discussed above). Following the Compensation Committee's evaluation of the Chief Executive Officer's performance, the Compensation Committee prepares a compensation recommendation for the review and approval of the Board.

Compensation levels for the Chief Executive Officer and Chief Financial Officer for the year ended December 31, 2022 are not consistent with the trend of total return on investment charted for the Corporation. The Corporation does not base its executive compensation on total return on investment. As mentioned previously, the Corporation relies exclusively on the Compensation Committee to determine executive compensation for the executive management of IDC.

#### *Option-based Awards*

#### Stock Option Plan

The Corporation's stock option plan (the "**Plan**") is for the benefit of employees, directors and consultants to encourage them to acquire Common Shares, thereby aligning their interests with the Shareholders. The Corporation converted the Rolling Stock Option Plan to a Fixed Number Option Plan on November 2, 2021. A copy of the Plan is attached as Schedule "C" to the management information circular of the Corporation dated April 8, 2009, a copy of which is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The following describes the material terms of the Plan, pursuant to which the Corporation's outstanding options have been granted:

1. the aggregate number of Common Shares issuable upon the exercise of all options granted under the Plan may not exceed 1,000,000 Common Shares ;
2. if the outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised options;
3. under the Plan the Board can fix the exercise price of the options, but the exercise price cannot be less than the five-day weighted average trading price of the Common Shares prior to the date of grant;
4. the Current Plan permits the Board to determine vesting terms at the time of grant. The term of the option cannot exceed 10 years. If the Corporation is subject to a takeover bid, undergoes a re-organization or other transaction in which the Corporation is not the surviving entity, or undergoes a change of control, the Board has the discretion, by way of resolution, to permit accelerated vesting of options on such terms as the Board sees fit at that time;
5. under the Plan if a participant retires or ceases employment or being a director or service provider, the participant may exercise his or her options within 90 days of the date of termination of employment, directorship or contract. If the participant's employment has been terminated for cause, the options expire immediately. In the event of death, the options may be exercised on the earlier of the option's expiry time or one year from the date of death. In the event of permanent disability, the options may be exercised on the earlier of the option's expiry time or six months from the date of permanent disability, subject to such shorter period as may be otherwise specified in a stock option agreement;
6. under the Plan, the Board may amend, modify or change certain provisions of the plan or any options granted pursuant to the Plan without shareholder approval in connection with the following:
  - (a) the expiry date of options granted to non-insiders; and
  - (b) the vesting schedule and the termination provisions of options granted,

however, if the Board proposes to reduce the exercise price of options granted to insiders, alter the prohibition against assignment of options or extend the expiry date of options granted to insiders (as such term is defined in the *Securities Act* (Alberta)), such amendments would require shareholder approval. Shareholder approval would also be required in order to increase the number or percentage of shares reserved for issuance under the Plan;

7. the Plan automatically extends the expiry date of options which would otherwise expire in a "black-out period" where optionees are not permitted to trade in securities of the Corporation. The expiry date of options which otherwise would expire during a black-out period will be extended for a period of 10 business days from the end of the black-out period;
8. the Plan expressly limits the maximum term of options to 10 years from the grant date of such options; and
9. the options are not transferable or assignable unless permitted by the TSX Venture Exchange ("TSXV"). The Board could amend or discontinue the Plan at any time without the consent of the Participants, provided that such amendment shall not alter or impair any option previously granted under the Plan, however each amendment was required to be approved by the TSXV and, where necessary, the Shareholders. There have been no amendments adopted in this past year. Previous grants of options are taken into account when considering new grants.

As of December 31, 2022, nil Common Shares had been issued upon the exercise of options previously granted under the Plan and nil Common Shares were issuable upon the exercise of options previously granted under the Plan). Since December 31, 2021, there has been no change in the number of outstanding options.

## Summary Compensation Table

The following table (presented in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers (“**Form 51-102F6V**”) under National Instrument 51-102 – Continuous Disclosure Obligations) sets forth for the two most recently completed financial years ended December 31, 2022 and 2021 information concerning all direct and indirect compensation paid to our Chief Executive Officer and Chief Financial Officer and the next most highly compensated executive officer, other than the Chief Executive Officer and Chief Financial Officer, at the end of the year ended December 31, 2022 whose total compensation was more than \$150,000 (each a “Named Executive Officer” or “NEO” and collectively, the “Named Executive Officers” or “NEOs”).

Name	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation CDN (\$)
					(f)				
(a)	(b)	(c)	(d)	(e)	Annual Incentive Plan (f1)	Long-Term Incentive Plans (f2)	(g)	(h)	(i)
Rong Xue <sup>(1)</sup> Chief Financial Officer	2022 2021	- 6,480	-	-	-	-	-	-	- 6,480
Hengye Guan <sup>(2)</sup>	2022 2021	- -	-	-	-	-	-	-	-
Xiaoyi (Neil) Yan <sup>(3)</sup>	2022 2021	30,000 22,500	-	-	-	-	-	-	30,000 22,500
Yong Yan <sup>(4)</sup>	2022 2021	- -	-	-	-	-	-	-	-

### Notes:

- (1) Mrs. Xue was appointed Chief Financial Officer and General Manager on April 20, 2018, and served as Chief Financial Officer until March 4, 2021.
- (2) Mr. Guan was appointed as Chief Executive Officer on February 4, 2021, and served as Chief Executive Officer until January 4, 2023.
- (3) Mr. Xiaoyi Yan was appointed as Chief Financial Officer on March 4, 2021.
- (4) Mr Yong Yan was appointed as Chief Executive Officer on January 4, 2023.

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

The following table sets out for each NEO all awards outstanding at the end of the most recently completed financial year. There were no awards granted during the most recently completed financial year.

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 (\$)	Number of Securities Underlying Unexercised Options (\$)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

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 (\$)	Number of Securities Underlying Unexercised Options (\$)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Yong Yan, Chief Executive Officer	Nil	-	-	-	-	-	-
Xiaoyi Yan, Chief Financial Officer	Nil	-	-	-	-	-	-

### Incentive Plan Awards – Value Vested or Earning During the Year

There were no incentive plan awards granted or vested in the most recently completed fiscal year.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
(a)	(b)	(c)	(d)
Yong Yan, Chief Executive Officer	N/A	N/A	N/A
Xiaoyi Yan, Chief Financial Officer	N/A	N/A	N/A

### Director Compensation

#### Director Compensation Table

The following table sets out all amounts of compensation provided to the directors for the Corporation's two most recently completed financial years ended December 31, 2022 and 2021.

Name	Year	Fees Earned (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation CDN (\$)
					(f)	(g)			
(a)	(b)	(c)	(d)	(e)	Annual Incentive Plans (f1)	Long-Term Incentive Plans (f2)	(g)	(h)	(i)
Paul Lin <sup>(3)</sup>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-
Yong Yan <sup>(1)</sup>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-

Name	Year	Fees Earned (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation CDN (\$)
					(f)				
(a)	(b)	(c)	(d)	(e)	Annual Incentive Plans (f1)	Long-Term Incentive Plans (f2)	(g)	(h)	(i)
Tim Seung <sup>(2)</sup>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-
Rong Li <sup>(4)</sup>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-
Shu Shang <sup>(5)</sup>	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-

**Notes:**

- (1) Yong Yan was elected to the Board on December 8, 2022.
- (2) Tim Seung was elected to the Board on March 1, 2016.
- (3) Paul Lin was elected to the Board on August 6, 2013.
- (4) Rong Li was elected to the Board on December 8, 2022.
- (5) Shu Shang was elected to the Board on December 8, 2022.

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

The following table sets out for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price CDN (\$)	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 (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Paul Lin	-	-	-	-	-	-
Yong Yan	-	-	-	-	-	-
Tim Seung	-	-	-	-	-	-
Rong Li	-	-	-	-	-	-
Shu Shang	-	-	-	-	-	-

**Notes:**

- (1) Based on the closing price of the common shares on the TSX on December 31, 2022.

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

The following table sets out details of the value vested or earned by each director during the most recently completed financial year for each incentive plan award.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
(a)	(b)	(c)	(d)
Paul Lin	-	-	-
Yong Yan	-	-	-
Tim Seung	-	-	-
Rong Li	-	-	-
Shu Shang	-	-	-

### AUDIT COMMITTEE

The Corporation is required to have an audit committee (the “**Audit Committee**”). The general function of the Corporation’s Audit Committee is to review the overall audit plan and the Corporation’s system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Corporation’s auditor. The Audit Committee Terms of Reference, as approved by the Board, is attached hereto as Schedule “A”. The Audit Committee is composed of Tim Seung and Rong Li, who are considered independent directors pursuant to Multilateral Instrument 52-110 – Audit Committees (“**MI 52-110**”). In addition, Paul Lin serves as the third member of the Audit Committee.

### EXTERNAL AUDITOR SERVICE FEES

#### Audit Fees

The aggregate fees billed by the external auditor in the years ended December 31, 2022 and December 31, 2021 for audit services were approximately \$44,635 and \$146,448 respectively.

#### Audit Related Fees

The aggregate fees billed by the external auditor in the years ended December 31, 2022 and December 31, 2021, for assurance and related services by the Corporation’s external auditor that were reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported above under the heading “**Audit Fees**” were \$Nil and \$Nil, respectively.

#### Tax Fees

The aggregate fees billed by the external auditor in the years ended December 31, 2022 and December 31, 2021, for tax compliance, tax advice and tax planning services were approximately \$2,100 and \$2,100 respectively.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management is not aware of any indebtedness (other than routine indebtedness) outstanding by any of the directors, executive officers or any of their associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by the Corporation or any subsidiaries, to these individuals, at any time since the commencement of the last completed financial year.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any director or executive officer of the Corporation, any insiders of the Corporation, any proposed nominee for election as a director, or any associate or affiliate of such persons, in

any transaction since the beginning of the last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of the subsidiaries, except as disclosed elsewhere in this management information circular.

#### **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of these individuals, in any matter to be acted on at the Meeting.

#### **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are in charge of the day-to-day management of the Corporation.

The Board is committed to sound corporate governance practices which are both in the interest of the Shareholders and contribute to effective and efficient decision making. Corporate governance practices continue to evolve and change. The Board continually evaluates developments in the area of corporate governance and, where appropriate, implements changes to improve the Corporation's governance practices. The Board is of the view that the Corporation's approach to corporate governance is appropriate for its size and resources.

On June 30, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101" or the "Governance Instrument") and NP 58-201. The Governance Instrument and the Governance Policy replaced the TSXV's guidelines for effective corporate governance which had been in effect since 1995.

The Governance Instrument requires issuers to disclose those corporate governance practices that it has adopted. The Governance Policy contains guidelines that issuers are encouraged to consider in developing their own corporate governance practices. IDC listed below is a description of the Corporation's approach to corporate governance.

##### **Board of Directors**

The Board is currently composed of five directors: Paul Lin, Tim Seung, Yong Yan, Rong Li and Shu Shang. Mr. Yong Yan is the Chief Executive Officer of the Corporation.

The Board meets at least every quarter for a formal Board meeting. Depending on the level of activity of the Corporation, the Board will meet on an ad hoc basis as necessary to provide input and guidance to management. The majority of the directors has attended all meetings of the Board, either in person or by telephone, since the date the Board was formed. In order to facilitate open and candid discussions among independent directors, the Board has historically formed three committees which are the Audit Committee, Compensation Committee and Corporate Governance Committee. These committees have met independently of non-independent directors and management in accordance with the timing set out in the charters of each committee or as otherwise determined necessary to consider those matters set out in such charters.

##### **Board Mandate**

The Board is responsible for the stewardship of the Corporation and is responsible for the governance and management of the Corporation's affairs. The Board delineates its roles and responsibilities to each Board committee in written terms of reference that are approved by the Board. The mandate of the Board is attached as Schedule "B" to this Information Circular.

The Board has established procedures regarding the approval of material transactions, the delegation of authority and the execution of documents as part of its organizational structure. Any responsibility which is not delegated to management or a Board committee remains with the full Board.

### **Position Descriptions**

The Board has developed a written position description for the Chairman of the Board. As each Board committee has written terms of reference that are approved by the Board, the Board does not feel that written position descriptions for the chair of each Board committee are necessary.

The chair of each committee is responsible for guiding the committee pursuant to the procedures and guidelines set out in each written committee charter. The Board, together with the Chief Executive Officer, has also developed a written position description for the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

### **Orientation and Continuing Education**

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management to obtain knowledge regarding the Corporation's business and affairs. After joining the Board, management and the Board provide orientation to new directors as necessary based on the particular needs and experience of each director and the Board as a whole. New directors are provided with a board manual which includes the Board Mandate, committee charters and policies of the Corporation. The Corporation currently has no specific policy regarding continuing education for directors; requests for continuing education by the directors are encouraged and dealt with on an ad hoc basis.

### **Ethical Business Conduct**

The Board has written policies outlining business conduct, disclosure and confidentiality, and share trading. The Business Conduct Policy sets out the minimum standards of behaviour required by all employees in conducting the business affairs of the Corporation. The Disclosure and Confidentiality Policy ensures communications to the investing public about the Corporation are timely, factual and accurate. This policy addresses guidelines for dissemination of information in accordance with all legal and regulatory requirements. The Share Trading Policy prescribes rules for restricted persons and employees with respect to trading in securities of the Corporation by individuals when there is undisclosed material information or pending material developments with respect to the Corporation. A copy of any of the aforementioned policies can be obtained by contacting the Corporate Secretary of the Corporation.

Currently, conflicts of interest are disclosed in accordance with the *Business Corporations Act* (Alberta) and any interested director must abstain from voting. The Audit Committee has adopted a "whistle-blower" policy which is designed to ensure a culture of ethical business conduct.

### **Nomination of Directors**

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and are considered and discussed. The Board and management consider, among other factors, the competencies and skills the Board considers necessary to possess as a whole, the competencies and skills the Board considers each existing director to possess and the competencies and skills each new nominee will bring to the boardroom. Considerations are also given to whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.

### **Assessments**

The Board has not considered it necessary to date to conduct an assessment of the Board, its committees and individual directors on a formal basis. Any concerns about the effectiveness of the foregoing can be addressed to the Chairman of the Board.

## **TRANSFER AGENTS, REGISTRARS AND AUDITORS**

The Corporation's transfer agent and registrar Computershare Trust Company can be contacted through the following information:

Computershare Trust Company  
800, 324 – 8th Avenue SW  
Calgary, Alberta T2P 2Z2  
Phone: (800) 567-6253  
International Phone: +1 (514) 982-7555

The Corporation's auditors are BDO Canada LLP, and they can be contacted through the following information:

Kenway Mack Slusarchuk Stewart LLP  
150 13 Avenue SW  
Suite 300  
Calgary, Alberta T2R 0V2  
(403) 233-7750

## **ADDITIONAL INFORMATION**

There are no other material facts relating to the Corporation and not disclosed elsewhere in this Information Circular or incorporated by reference herein. Additional financial information regarding the Corporation's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2022. These statements and all the continuous disclosure documents submitted to the securities commissions, and the TSX can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may request a copy of the financial statements and management's discussion and analysis at 110 Macintosh Blvd, Unit 2, Toronto, ON L4K 4P3, Phone (403) 251-9939.

## **APPROVAL OF DIRECTORS**

The contents and the sending of this Information Circular have been approved by the Board of the Corporation.

**IMAGING DYNAMICS COMPANY LTD.**

**SCHEDULE “A”  
AUDIT COMMITTEE – TERMS OF REFERENCE**

**(Adopted by the Board of Directors on October 10, 2015)**

**1. Purpose**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Imaging Dynamics Company Ltd. (the “**Corporation**”). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the Corporation’s financial statements, the quality of financial disclosure made by the Corporation as well as the risk management processes of the Corporation. As well, the Committee is expected to assess, among other things, whether the Corporation’s management has designed and implemented an effective system to review and report on the integrity of the financial statements of the Corporation. The Committee is also expected to assess the Corporation’s compliance with legal and regulatory requirements concerning audits and financial reporting, the performance of the Corporation’s internal audit function and the effectiveness of the Corporation’s external auditor.

The Committee acknowledges and shall comply with National Instrument 52-110 *Audit Committee* issued by the Canadian Securities Administrators, Policy 3.1 *Directors, Officers, Other Insiders & Personnel and Corporate Governance* of the TSX Venture Exchange Corporate Finance Manual and, any other applicable regulatory provisions as they pertain to audit committee matters.

**2. Composition, Procedures and Organization**

- (a) The Committee shall consist of at least three (3) members of the Board, the majority of whom must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. At least one-quarter (1/4) of the members of the Committee must be resident Canadians.
- (b) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Corporation, shall appoint the members of the Committee for the ensuing year, on the recommendation of the Corporate Governance and Nominating Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (c) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
- (d) The chair of the Committee shall appoint the secretary of the Committee, unless otherwise determined by the Committee.
- (e) Meetings of the Committee shall be conducted as follows:
  - (i) the Committee shall meet at least four (4) times annually at such times and at such locations as may be requested by the chair of the Committee;
  - (ii) the Corporation’s external auditor or any member of the Committee may request a meeting of the Committee;
  - (iii) the Corporation’s external auditor shall receive notice of and have the right, and shall be encouraged, to attend all meetings of the Committee;

- (iv) the Chief Executive Officer and the Chief Financial Officer of the Corporation shall be invited to attend all meetings of the Committee, except executive sessions and private sessions with the Corporation's external auditor; and
- (v) at the invitation of the chair of the Committee, directors who are not members of the Committee, officers or employees of the Corporation or other persons may attend a meeting of the Committee.
- (f) The quorum for meetings of the Committee shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.
- (g) The Committee shall have access to such officers and employees of the Corporation, its external auditor and legal counsel, and to such information respecting the Corporation, and may engage independent legal counsel at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (h) The internal auditor of the Corporation (if any) and the external auditor of the Corporation shall have a direct line of communication to the Committee through the chair of the Committee. The external auditor of the Corporation shall report directly to the Committee.

### **3. Duties and Responsibilities**

- (a) The duties and responsibilities of the Committee shall include:
  - (i) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and approving the Corporation's annual and quarterly consolidated financial statements;
  - (ii) to establish and maintain a direct line of communication with the Corporation's internal auditor (if any) and external auditor and to assess their performance;
  - (iii) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal controls for the Corporation;
  - (iv) to report regularly to the Board on the fulfilment of the duties and responsibilities of the Committee;
  - (v) to review and approve the Corporation's financial statements (annual and interim), MD&A (annual and interim) and press releases disclosing financial information of the Corporation before such documents are publicly disclosed by the Corporation;
  - (vi) to ensure adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the previous subsection, and periodically assess the adequacy of those procedures;
  - (vii) to review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (viii) to review compliance with any business conduct policy that the Corporation may put in place and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate; and

- (ix) to review any unresolved issues between management of the Corporation and the external auditor that could affect the financial reporting or internal controls of the Corporation.
- (b) The duties and responsibilities of the Committee as they relate to the external auditor shall include:
- (i) recommending to the Board the external auditor to be engaged by the Corporation;
  - (ii) reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditor;
  - (iii) overseeing 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 disagreements between management of the Corporation and the external auditor regarding financial reporting;
  - (iv) reviewing the audit plan of the external auditor prior to the commencement of the audit;
  - (v) reviewing with the external auditor, upon completion of its audit:
    - (A) the contents of its report,
    - (B) the scope and quality of the audit work performed,
    - (C) the adequacy of the Corporation's financial and internal audit (if any) personnel,
    - (D) the level of co-operation received from the Corporation's personnel during the audit,
    - (E) the internal resources used,
    - (F) any significant transactions outside of the normal business of the Corporation, and
    - (G) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
  - (vi) pre-approving all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor; and
  - (vii) periodically reviewing the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal auditor (if any) or by the external auditor have been implemented.
- (c) The Committee shall hold in camera (i.e., without the presence of management of the Corporation) meetings with the external auditor at least once a year prior to the approval of the audited annual financial statements of the Corporation and at such other times as determined necessary or appropriate by the Committee.
- (d) The duties and responsibilities of the Committee as they relate to the Corporation's internal auditor (if any) shall include:
- (i) periodically reviewing the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (ii) reviewing and approving the internal audit plan; and

- (iii) reviewing significant findings and recommendations of the internal auditor (if any), and management's response thereto.
- (e) The duties and responsibilities of the Committee as they relate to the Corporation's risk management shall include:
- (i) helping management and the Board understand and manage the business risks that pose a threat to the achievement of the Corporation's strategic objectives;
  - (ii) identifying, assessing and prioritizing business risks;
  - (iii) recommending to management and the Board, actions, processes and procedures to mitigate and manage the identified risks;
  - (iv) providing oversight of all reputational and financial risk matters in accordance with the Board approved strategic plan, business plan, budget and specific directives;
  - (v) establishing, updating, obtaining Board approval of and maintaining a risk management framework, including sound risk management principles, practices, appropriate risk appetite, effective risk management tools and an appropriate risk matrix;
  - (vi) monitoring market conditions and identifying and assessing current and emerging risk related issues;
  - (vii) where necessary, establishing internal controls over operations and information systems;
  - (viii) reporting risks to the Board regularly; and
  - (ix) receiving security reports on information systems, and on business continuity and recovery plans.
- (f) The Committee is also charged with the responsibility to:
- (i) review and approve the financial sections of prospectuses of the Corporation and other public reports requiring approval by the Board before such documents are publicly disclosed by the Corporation;
  - (ii) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
  - (iii) review the minutes of any audit committee meeting of any affiliated company, partnership or trust;
  - (iv) review with management, the external auditor and, if necessary or appropriate, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material affect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the Corporation's consolidated financial statements;
  - (v) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
  - (vi) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

- (vii) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation; and
- (viii) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders of the Corporation.

**4. Review of Charter**

The Committee shall review this charter annually or otherwise as it deems appropriate and recommend to the Board any necessary or appropriate changes.

**IMAGING DYNAMICS COMPANY LTD.**

**SCHEDULE “B”  
BOARD OF DIRECTORS MANDATE**

**(Adopted by the Board of Directors on October 10, 2015)**

**1. Purpose**

The Board of Directors (the “**Board**”) has the responsibility for the overall stewardship of the conduct of the business of Imaging Dynamics Company Ltd. (the “**Corporation**”), its corporate governance, and the activities of management, which is responsible for the day-to-day conduct of the business. The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of all its stakeholders, including its shareholders, employees, customers and communities.

This Board mandate and rules of procedure supplements the by-laws of the Corporation to the extent allowed by applicable laws and regulations.

**2. Procedures and Organization**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs, including selecting its chair, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act* (Alberta) (the “**ABCA**”), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

**3. Duties and Responsibilities**

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

***Legal Requirements***

- (a) The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
- (b) The Board has the statutory responsibility to:
  - (i) manage the business and affairs of the Corporation;
  - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the ABCA and the regulations thereto, the Corporation’s articles and by-laws, applicable securities legislation and other applicable law.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

- (i) the submission to the shareholders of any question or matter requiring the approval of the shareholders;
- (ii) the appointment of additional directors, the filling of a vacancy among the directors or in the office of auditor;
- (iii) the issuance of securities;
- (iv) the declaration of dividends;
- (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
- (vi) the payment of a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or to persons procuring or agreeing to procure purchasers for any such shares;
- (vii) the approval of management proxy circulars;
- (viii) the approval of financial statements of the Corporation; and
- (ix) the adoption, amendment or repeal of the by-laws of the Corporation.

### ***Independence***

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management.

### ***Strategy Determination***

The Board has the responsibility to ensure there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees in developing and approving the mission of the business of the Corporation and the strategic plan, on at least an annual basis. The Board has the responsibility to:

- (i) approve annual business plan, operation goals and financing plan (other than issuance of bonds or securities) of the Corporation;
- (ii) approval annual operation budget, capital budget and other annual budgets;
- (iii) review the performance of the Corporation against its development strategy, business plan and budgets to ensure any and all steps and measures have been taken as required; and
- (iv) review corporate plans for major acquisitions, sales of significant assets, mergers, restructuring, spin-off and dissolution.

### ***Managing Risk***

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

### ***Division of Responsibilities***

The Board has the responsibility to:

- (i) appoint and delegate responsibilities to committees where appropriate to do so; and
- (ii) develop position descriptions for the directors and senior officers, including:
  - (A) the chair of the Board;
  - (B) the Chief Executive Officer (the “CEO”);
  - (C) the President and Co-Presidents (if any); and
  - (D) the Chief Financial Officer.

### ***Appointment, Training and Monitoring Senior Management***

The Board has the responsibility:

- (i) to approve candidates for chairman of all committees and their members;
- (ii) to appoint the CEO, to monitor and assess the CEO’s performance, to determine the CEO’s compensation, and to provide advice and counsel in the execution of the CEO’s duties;
- (iii) to approve the appointment and remuneration of all corporate officers, acting upon the advice of the CEO;
- (iv) to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (v) to assess the performance of senior management and formulate an incentive plan for them;
- (vi) to ensure that adequate provision has been made to train and develop management and for the orderly succession of management.

### ***Capital Structure***

The Board has the responsibility:

- (i) to determine changes to the debt structure of the Corporation, including taking security and providing guarantees for its loans;
- (ii) to formulate plans to modify the capital structure of the Corporation, including the increase and decrease of share capital, issuance or redemption of securities of the Corporation;
- (iii) to approve changes to corporate structure of the Corporation and its subsidiaries; and
- (iv) to determine changes to the listing status of the Corporation.

### ***Financial Management, Control and Compliance***

The Board has the responsibility:

- (i) to approve the publication of the interim and annual performance of the Corporation;

- (ii) to approval annual report of the Corporation;
- (iii) to establish and monitor internal control and risk management system;
- (iv) to determine dividend policy and approve proposals on dividend distribution and any alternatives to dividend distribution; and
- (v) to approve any matters having major impact on the reputation of the Corporation, including on its brand and market value.

***Policies, Procedures and Compliance***

The Board has the responsibility:

- (i) to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (ii) to approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
- (iii) to ensure the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and legislation; and
- (iv) to ensure the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace.

***Reporting and Communication***

The Board has the responsibility:

- (i) to ensure the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- (ii) to ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (iii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (iv) to ensure the timely reporting of any other developments that have a material impact on the value of the Corporation;
- (v) to report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- (vi) to develop appropriate measures for receiving shareholder feedback.

***Monitoring and Acting***

The Board has the responsibility:

- (i) to monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

- (ii) to take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (iii) to ensure that the Corporation has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities; and
- (iv) to make regular assessments of the Board's effectiveness.

#### ***Corporate Governance***

The Board has the responsibility to develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation. The Board shall also assess, optimize and adjust the authorization system to enable centralized decision making and decentralized operations.

#### **4. Board Meetings and Agendas**

The Board fulfills its duties and responsibilities through effective Board meetings.

- (a) Board meetings are held as often as the Corporation's affairs require. The Board has determined that it needs to meet a minimum of four (4) times each year, on dates determined by the Board.
- (b) Notice of the time and place for the holding of any meeting of directors shall be sent to each director not less than 48 hours before the time of the meeting; provided that a meeting of directors may be held at any time without notice if all the directors are present (except where a director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors waive notice of the meeting. The notice of a meeting of directors shall specify any matter referred to in subsection (3) of section 115 of the ABCA that is to be dealt with at the meeting, but need not specify the purpose or the business to be transacted at the meeting.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

- (c) The Board chair will develop and issue the agenda for each Board meeting. Management shall submit to the Board chair notice and an outline of all agenda items it proposes to bring forward directly, at least ten (10) days in advance of the meeting. All directors are free to suggest additions to the agenda. The last agenda item at each Board meeting shall be an in-camera session. In-camera sessions can also be called by motion at any time during a Board meeting.
- (d) Subject to the articles and by-laws of the Corporation, a majority of the number of directors constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors. Subject to section 111 of the ABCA, subsections (3) and (4) of section 114 of the ABCA, and Article 5 hereof, directors shall not transact business at a meeting of directors unless a quorum is present and at least one-quarter (1/4) of the directors present are resident Canadians. Questions arising at any meeting of directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote in addition to his or her original vote.
- (e) A director may participate in a meeting of directors or of any committee of directors by electronic means, telephone or other communication facilities that permit all persons participating in the

meeting to hear each other, and a director participating in a meeting by any such means is deemed to be present at that meeting.

- (f) Subject to the articles and by-laws of the Corporation, a resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors, is as valid as if it had been passed at a meeting of directors. A resolution in writing dealing with all matters required by the ABCA to be dealt with at a meeting of directors, and signed by all the directors entitled to vote at that meeting, satisfies all the requirements of the ABCA relating to meetings of directors.
- (g) Board meetings may be held anywhere authorized by the Board.
- (h) Items for consideration by the Board shall be made by motion. Motions shall be read back to the meeting before the question is called.
- (i) Parliamentary procedure will be based on Roberts Rules of Order.

## **5. Minutes**

- (a) Minutes of the Board meetings shall record those in attendance, absentees, guests and staff.
- (b) Minutes shall record the time of the call to order of meetings and the time of adjournment.
- (c) Minutes shall record the time of arrival and departure of Board members, guests and staff during Board meetings.
- (d) The Board chair is responsible for reviewing and providing comments on any of the drafts of the minutes.
- (e) Minutes, clearly marked “**DRAFT**”, shall be sent to the directors within one week of the meeting.
- (f) Minutes of the meetings will not become official minutes until adopted or adopted as amended or corrected by the Board at its next regular meeting.
- (g) Officially adopted minutes shall be signed by the Board chair and Board Secretary, or if either or both are not available, by any two directors.
- (h) All minutes and designated attachments shall be maintained in a minute book.

**IMAGING DYNAMICS COMPANY LTD.**

**SCHEDULE "C"  
STOCK OPTION PLAN**

1.1 REPLACE WITH NEW PLAN IN SEDAR

