UNDERWRITING AGREEMENT

November 20, 2017

Baylin Technologies Inc.
4711 Yonge Street
Suite 500
Toronto, Ontario
M2N 6K8

Attention: Randy Dewey, President and Chief Executive Officer

Dear Mesdames/Sirs:

Raymond James Ltd. ("**RJL**"), as sole book-runner, and Paradigm Capital Inc. (collectively with RJL, the "**Underwriters**" and each individually an "**Underwriter**") hereby severally, and not jointly, nor jointly and severally, in their respective percentages set out in Section 17 below, offer to purchase from Baylin Technologies Inc. (the "**Corporation**") and the Corporation hereby agrees to issue and sell to the Underwriters, on a "bought deal" basis, an aggregate of 7,340,426 common shares of the Corporation (the "**Initial Shares**") at the purchase price of $2.35 per Offered Share (as hereinafter defined) (the "**Offering Price**"), for aggregate gross proceeds of $17,250,001.

The Underwriters may arrange for substituted purchasers (the "**Substituted Purchasers**") for the Offered Shares resident in the Selling Jurisdictions (as hereinafter defined). Each Substituted Purchaser shall purchase the Offered Shares at the Offering Price, and, to the extent that Substituted Purchasers purchase Offered Shares, the obligations of the Underwriters to do so will be reduced by the number of Offered Shares purchased by the Substituted Purchasers from the Corporation.

The Corporation and the Underwriters agree that any sales or purchases of the Offered Shares in the United States will be made by the Underwriters through U.S. Affiliates (as hereinafter defined) in accordance with the U.S. Private Placement Memorandum (as hereinafter defined) and Schedule "B" hereto and all sales of the Offered Shares shall: (i) if made pursuant to Rule 506(b) of Regulation D (as hereinafter defined) be made directly by the Corporation to Substituted Purchasers, or (ii) if made pursuant to Rule 144A (as hereinafter defined), first be purchased by an Underwriter or a U.S. Affiliate, acting as principal, and resold in accordance with Rule 144A. Subject to applicable law, including applicable Securities Laws (as hereinafter defined) and the terms of this Agreement, the Offered Shares may also be distributed outside of Canada and the United States, with the consent of the Corporation, in each jurisdiction where they may be lawfully sold by the Underwriters without: (i) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; or (ii) creating any ongoing compliance or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase severally, and not jointly, nor jointly and severally, up to an additional 1,101,064 common shares of the Corporation (the "**Over-Allotment Shares**") at the Offering Price for additional gross proceeds of up to $2,587,500, upon the terms and conditions set forth herein for the purpose of covering over-allotments made in connection with the Offering (as hereinafter defined) and for market stabilization purposes. The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by RJL, on behalf of the Underwriters, by giving written notice to the Corporation on or before a date that is not later than 30 days following the Closing Date (as hereinafter defined). Any such election to purchase the Over-Allotment Shares may be exercised only

by written notice from RJL, on behalf of the Underwriters, to the Corporation by 8:00 a.m. (Toronto time) on or before the 30th day following the Closing Date, such notice to set forth: (i) the aggregate number of Over-Allotment Shares to be purchased; and (ii) the closing date for the Over-Allotment Shares, provided that such closing date shall not be less than three Business Days and no more than five Business Days (as hereinafter defined) following the date of such notice. Pursuant to such notice, the Underwriters shall severally, and not jointly, nor jointly and severally, purchase in their respective percentages set out in Section 17 below, and the Corporation shall deliver and sell, the number of Over-Allotment Shares indicated in such notice, in accordance with the provisions of this Agreement.

The Initial Shares and the Over-Allotment Shares are collectively referred to herein as the "**Offered Shares**" and the offering of the Offered Shares by the Corporation is hereinafter referred to as the "**Offering**". The price of any Offered Shares sold under this Agreement shall be the Offering Price.

The Underwriters shall be entitled to appoint a soliciting dealer group consisting of other dealers in accordance with applicable Securities Laws for the purposes of arranging for purchases of the Offered Shares. The Underwriters shall ensure that any investment dealer who is a member of any soliciting dealer group formed by the Underwriters pursuant to the provisions of this Agreement or with whom any Underwriter has a contractual relationship with respect to the Offering, if any, agrees with such Underwriter to comply with the covenants and obligations given by the Underwriters herein.

The Underwriters may offer the Offered Shares at a price less than the Offering Price as described in further detail in Section 17 below, in compliance with Canadian Securities Laws and, specifically, the requirements of NI 44-101 (as hereinafter defined), NI 44-102 (as hereinafter defined) and the disclosure concerning the same contained in the Prospectus and the U.S. Private Placement Memorandum.

TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Corporation and the Underwriters:

Section 1 Definitions and Interpretation

(1) Where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

"**Accredited Investor**" means an "accredited investor" that meets one or more of the criteria set forth in Rule 501(a) of Regulation D;

"**affiliate**" and "**person**" have the respective meanings given to them in the Ontario Act;

"**Agreement**" means this underwriting agreement, as it may be amended from time to time;

"**Base Prospectus**" shall have the meaning ascribed thereto in Section 2(1);

"**Business Assets**" means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed or loaned, relating to, being developed or used by the Corporation and the Material Subsidiaries including all hardware components and Corporation IP owned or used by the Corporation or the Material Subsidiaries in connection with the design, production and supply of antennas and all other products and services to be provided in connection therewith;

"**Business Day**" means a day, other than a Saturday, a Sunday or statutory or civic holiday in the City of Toronto, Ontario;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices, orders, blanket rulings and policies of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the TSX;

"**Canadian Shelf Procedures**" has the meaning ascribed thereto in Section 2(1);

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Closing**" means the completion of the sale of the Offered Shares and the purchase by the Underwriters of the Offered Shares pursuant to this Agreement;

"**Closing Date**" means November 28, 2017 or such other date as may be agreed to in writing by the Corporation and RJL, each acting reasonably;

"**Commission**" means, collectively, the Initial Commission and the Over-Allotment Commission;

"**Common Shares**" means the common shares of the Corporation;

"**Corporation**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Corporation IP**" means the Intellectual Property that is necessary and material to the business of the Corporation and its subsidiaries as presently conducted or as proposed to be conducted (and as described in the Offering Documents) and that is owned by and has been developed by or for, or is being developed by or for, the Corporation or its subsidiaries, as the case may be, other than Licensed IP;

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or the Material Subsidiaries are a party or to which their property or assets are otherwise bound;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

"**Documents Incorporated by Reference**" means all financial statements, related management's discussion and analysis, management information circulars, joint information circulars, annual information forms, material change reports or other documents filed by the Corporation, whether before or after the date of this Agreement, that are required to be incorporated by reference into the Prospectus under Canadian Securities Laws;

"**Employee Plans**" has the meaning ascribed thereto in Section 6(fff);

"**Financial Statements**" means the financial statements of the Corporation included in the Prospectus and the Documents Incorporated by Reference, including the notes to such statements, and the related auditors' report on such statements, where applicable;

"**Governmental Authority**" means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

"**knowledge of the Corporation**" (or similar phrases) means actual knowledge, after due enquiry, of the Chief Executive Officer and Chief Financial Officer of the Corporation;

"**IFRS**" means International Financial Reporting Standards;

"**including**" means including but not limited to;

"**Initial Commission**" has the meaning ascribed thereto in Section 13;

"**Initial Shares**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Intellectual Property**" means any of the following, as they exist anywhere in the world, whether registered or unregistered, all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, know-how (including Trade Secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), Software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

"**Leased Premises**" means the premises which are material to the Corporation and/or any of the subsidiaries and which the Corporation and/or any of the subsidiaries occupies as tenant;

"**Licensed IP**" means the Intellectual Property that is necessary and material to the business of the Corporation and its subsidiaries as presently conducted or as proposed to be conducted (and as described in the Offering Documents) and that is owned by any person other than the Corporation or its subsidiaries, as the case may be, and for which the Corporation or the subsidiary, as applicable, is licensed to practice or use;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

"**Marketing Documents**" means, collectively, all marketing materials (including any template version, revised template version or limited use version thereof) provided to a potential investor in connection with the distribution of the Offered Shares;

"**marketing materials**" has the meaning ascribed thereto under NI 41-101;

"**Material Agreement**" means any notes, indentures, mortgages or Debt Instruments and any contracts (including customer contracts), commitments, agreements (written or oral), instruments, lease or other documents, including joint venture agreements, licences, sub-licenses, supply agreements, distribution agreements or any other similar type agreements

(including for certainty all agreements and documents related to Licensed IP or Corporate IP), to which the Corporation or a Material Subsidiary is a party or to which their property or assets are otherwise bound and which is material to the Corporation and the Material Subsidiaries on a consolidated basis;

"**Material Adverse Effect**" means any event, change, fact, or state of being which is materially adverse to the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise), prospects or condition (financial or otherwise) of the Corporation and the Material Subsidiaries considered on a consolidated basis, except to the extent of that any such change, event, violation, inaccuracy, circumstance or effect is a result from or arose in connection with: (i) any change in regulatory accounting requirements applicable to public companies in Canada; (ii) any change in (A) global, national or regional political conditions (including the outbreak of war or acts of terrorism); (B) general economic, business, regulatory or market conditions; or (C) national or global financial or capital markets; or (iii) any natural disaster;

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the Ontario Act;

"**Material Subsidiaries**" means the entities in which the Corporation directly or indirectly holds the percentage of securities or other ownership interests as set forth in Schedule "A" to this Agreement;

"**MI 11-102**" means Multilateral Instrument 11-102 – *Passport System*;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Money Laundering Laws**" has the meaning ascribed thereto in Section 6(xx);

"**NP 11-202**" means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"**NI 44-102**" means National Instrument 44-102 – *Shelf Distributions*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 52-109**" means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**Offering**" has the meaning ascribed thereto in the fifth paragraph of this Agreement;

"**Offering Documents**" means the Base Prospectus, the Prospectus, the U.S. Private Placement Memorandum and any Supplementary Material;

"**Offering Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Ontario Act**" means the *Securities Act* (Ontario);

"**Over-Allotment Commission**" has the meaning ascribed thereto in Section 13;

"**Over-Allotment Option**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**Over-Allotment Shares**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**Passport System**" means the system for review of prospectus filings set out in MI 11-102 and NP 11-202;

"**Preliminary Base Prospectus**" has the meaning ascribed thereto in Section 2(1);

"**Principal Regulator**" means the Ontario Securities Commission;

"**Prospectus**" has the meaning ascribed thereto in Section 2(2);

"**Prospectus Supplement**" has the meaning ascribed thereto in Section 2(2);

"**Purchasers**" means, collectively, each of the purchasers of Offered Shares arranged by the Underwriters, including the Substituted Purchasers, in connection with the Offering, including, if applicable, the Underwriters;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A;

"**Qualifying Jurisdictions**" means each of the provinces and territories of Canada;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U. S. Securities Act;

"**Reviewing Authority**" has the meaning ascribed thereto in Section 2(1);

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Commissions**" has the meaning ascribed thereto in Section 2(1);

"**Securities Laws**" means collectively, Canadian Securities Laws, U.S. Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions;

"**Securities Regulators**" means collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Selling Jurisdictions**" means, collectively, each of the Qualifying Jurisdictions and such states in the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Underwriters;

"**Shelf Information**" means the information included in the Prospectus Supplement that is permitted under NI 44-102 to be omitted from the Base Prospectus for which receipts or other evidences of acceptance have been obtained but that is deemed under NI 44-102 to be incorporated by reference into the Base Prospectus as of the date of and by virtue of the Prospectus Supplement;

"**Shelf Securities**" has the meaning ascribed thereto in Section 2(1);

"**Software**" means any computer software programs, source code, object code, databases, data and documentation, including, without limitation, any computer software programs that incorporate and run pricing models, formula and algorithms;

"**standard term sheet**" has the meaning ascribed thereto under NI 41-101;

"**Offered Shares**" has the meaning ascribed thereto in the fifth paragraph of this Agreement;

"**subsidiary**" means a subsidiary for purposes of the Ontario Act, as constituted at the date of this Underwriting Agreement;

"**Substituted Purchasers**" has the meaning ascribed thereto in the second paragraph of this Agreement;

"**Supplementary Material**" has the meaning ascribed thereto in Section 2(2);

"**template version**" has the meaning ascribed thereto under NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;

"**Time of Closing**" means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and RJL;

"**Trade Secrets**" means any trade secrets, research records, processes, procedures, manufacturing formula, technical know-how, technology, blue prints, designs, plans, inventions (whether patentable and whether reduced to practice), invention disclosure and improvements thereto;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriters**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. AI Private Placement Memorandum**" means, the U.S. private placement memorandum, in a form satisfactory to the Underwriters and the Corporation, each acting reasonably, which will be attached to the Prospectus, and any Supplementary Material thereto, to be delivered to U.S. Purchasers that are Accredited Investors in the United States in accordance with Schedule "B" hereto;

"**U.S. Affiliates**" means the United States broker-dealer affiliates of the Underwriters;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Private Placement Memorandum**" means, collectively, the U.S. AI Private Placement Memorandum and the U.S. QIB Private Placement Memorandum, in a form satisfactory to the Underwriters and the Corporation, each acting reasonably, which will be attached to the Prospectus, and any Supplementary Material thereto, to be delivered to U.S. Purchasers in the United States in accordance with Schedule "B" hereto;

"**U.S. Purchasers**" means Qualified Institutional Buyers and Accredited Investors purchasing Offered Shares in the United States in accordance with Schedule "B" hereto;

"**U.S. QIB Private Placement Memorandum**" means, the U.S. private placement memorandum, in a form satisfactory to the Underwriters and the Corporation, each acting reasonably, which will be attached to the Prospectus, and any Supplementary Material thereto, to be delivered to U.S. Purchasers that are Qualified Institutional Buyers in the United States in accordance with Schedule "B" hereto;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and

"**U.S. Securities Laws**" means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC and any applicable state securities laws.

(2) Any reference in this Agreement to a Section or Subsection shall refer to a section or subsection of this Agreement.

(3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.

(4) Any reference in this Agreement to $ or to "dollars" shall refer to the lawful currency of Canada, unless otherwise specified.

(5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A"	Material Subsidiaries
Schedule "B"	Terms and Conditions for United States Offers and Sales
Schedule "C"	Existing Rights

Section 2 Filing of Prospectus.

(1) The Corporation has prepared and filed with the securities regulatory authorities in the Qualifying Jurisdictions (collectively, the "**Securities Commissions**"): (i) a preliminary short form base shelf prospectus in the English and French language dated October 13, 2017 (the "**Preliminary Base Prospectus**"); and (ii) a (final) short form base shelf prospectus in the English and French language dated November 16, 2017 (the "**Base Prospectus**") in respect of up to $100,000,000 aggregate principal amount of Common Shares, preferred shares, debt

securities, subscription receipts, units and warrants of the Corporation (collectively, the "**Shelf Securities**") pursuant to applicable Canadian Securities Laws. The Corporation selected the Ontario Securities Commission (the "**Reviewing Authority**") as its principal regulator in respect of the offering of the Shelf Securities, and the Reviewing Authority has issued a decision document (a "**Decision Document**") under MI 11-102 on behalf of itself and the other Securities Commissions for each of the Preliminary Base Prospectus and the Base Prospectus. The term "Base Prospectus" shall include the Documents Incorporated by Reference and the documents otherwise deemed to be a part thereof or included therein pursuant to Canadian Securities Laws, at the time the Reviewing Authority issued a Decision Document with respect thereto in accordance with Canadian Securities Laws, including NI 44-101 and NI 44-102 (together, the "**Canadian Shelf Procedures**").

(2) In addition, the Corporation shall, not later than 11:00 p.m. (Toronto time) on the date hereof, prepare and file with the Securities Commissions a prospectus supplement in the English and French language, including the Shelf Information, relating to the Offered Shares (the "**Prospectus Supplement**", and together with the Base Prospectus, and including the Documents Incorporated by Reference and the documents otherwise deemed to be a part thereof or included therein pursuant to Canadian Securities Laws, the "**Prospectus**"). Any amendment to the Prospectus, any amended or supplemental prospectus, any management information circular, financial statement, management's discussion and analysis, annual information form, material change report, auxiliary material, information, evidence, return, report, application, statement or document that may be filed by or on behalf of the Corporation under the applicable Canadian Securities Laws prior to the expiry of the period of distribution of the Offered Shares, where such document is deemed to be incorporated by reference into the Prospectus, is referred to herein collectively as the "**Supplementary Material**."

(3) All references in this Agreement to financial statements and other information which is "contained," "included" or "stated" in the Preliminary Base Prospectus, the Base Prospectus or the Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and other information which is incorporated by reference in or otherwise deemed by Canadian Securities Laws to be a part of or included in the Preliminary Base Prospectus, the Base Prospectus, or the Prospectus, as the case may be.

(4) For purposes of this Agreement, all references to the Preliminary Base Prospectus, the Base Prospectus and the Prospectus, or any amendment or supplement to any of the foregoing (including any Supplementary Material), shall be deemed to include the copy filed with the Securities Commissions on SEDAR.

(5) Until the date on which the distribution of the Offered Shares is completed, the Corporation shall promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Shares for sale to the public and the grant of the Over-Allotment Option to the Underwriters, or, in the event that the Offered Shares or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify them.

(6) Prior to the filing or use of the Offering Documents and thereafter, during the period of distribution of the Offered Shares, the Corporation shall have allowed the Underwriters to participate fully in the preparation of, and, acting reasonably, to approve the form and content of, such documents and shall have allowed the Underwriters to conduct all due diligence investigations (which shall include the attendance of management of the Corporation, the

auditors and any other consultants requested by the Underwriters at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.

(7) During the distribution of the Offered Shares, the Corporation and RJL, on behalf of the Underwriters, shall approve in writing, prior to such time that Marketing Documents are provided to potential investors, any Marketing Documents reasonably requested to be provided by the Underwriters to any potential investor, such Marketing Documents to comply with Canadian Securities Laws. The Corporation shall file a template version of such Marketing Documents with the Canadian Securities Regulators as soon as reasonably practicable after such Marketing Documents are so approved in writing by the Corporation and RJL and in any event on or before the day the Marketing Documents are first provided to any potential investor, and such filing shall constitute the Underwriters' authority to use such Marketing Documents in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-102 prior to filing such template version with the Canadian Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Regulators by the Corporation.

(8) The Corporation and the Underwriters, on a several basis, covenant and agree:

(a) not to provide any potential investor with any Marketing Documents unless a template version of such Marketing Documents has been filed by the Corporation with the Canadian Securities Regulators on or before the day such Marketing Documents are first provided to any potential investor;

(b) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than (i) such Marketing Documents that have been approved and filed in accordance with Subsection 2(7), (ii) the Prospectus and (iii) any standard term sheets approved by the Corporation and RJL; and

(c) that only Marketing Documents approved and filed in accordance with Subsection 2(7), and any standard term sheets approved in writing by the Corporation and RJL, have been and shall be provided to potential investors.

Section 3 Deliveries on Filing and Related Matters.

(1) The Corporation shall deliver to each of the Underwriters:

(a) prior to the time of each filing thereof, a copy of the Prospectus manually signed on behalf of the Corporation, by the persons and in the form signed and certified as required by Canadian Securities Laws;

(b) prior to the time of filing thereof, a copy of any Supplementary Material, or other document required to be filed with or delivered to, the Securities Commissions by the Corporation under Canadian Securities Laws in connection with the Offering, including any Documents Incorporated by Reference (other than documents already filed publicly with a Securities Commission);

(c) concurrently with the filing of the Prospectus with the Securities Commissions, a "long-form" comfort letter of PricewaterhouseCoopers LLP dated the date of the Prospectus (with the requisite procedures to be completed by such auditor within two Business Days of the date of such letter), in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors and officers of the Corporation, with respect to certain financial and accounting information relating to the Corporation in the Prospectus, including all Documents Incorporated by Reference, which letter shall be in addition to the auditor's report incorporated by reference in the Prospectus;

(d) concurrently with the filing of the Prospectus with the Securities Commissions, opinions of Séguin Racine Avocate, dated the date of the Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the Corporation, to the effect that the French language version of each of the Preliminary Base Prospectus, the Base Prospectus and the Prospectus Supplement, except the Financial Statements, is, in all material respects, a complete and proper translation of the English language version thereof;

(e) concurrently with the filing of the Prospectus with the Securities Commissions, opinions of PricewaterhouseCoopers LLP, dated the date of the Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the Corporation, to the effect that the French language version of the Financial Statements is, in all material respects, a complete and proper translation of the English language version thereof; and

(f) a copy of the TSX conditional approval letter indicating that the application for the listing and posting for trading on the TSX of the Offered Shares has been approved, subject only to satisfaction by the Corporation of the customary conditions that may be satisfied post-closing as specified by the TSX.

Unless otherwise advised in writing, such deliveries shall also constitute the Corporation's consent to the Underwriters' use of the Offering Documents in connection with the distribution of the Offered Shares in compliance with this Agreement and Securities Laws.

(2) The Corporation represents and warrants to the Underwriters with respect to the Offering Documents that as at their respective dates of delivery:

(a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering and the Offered Shares, as required by Canadian Securities Laws;

(b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such

disclosure not misleading in light of the circumstances under which they were made; and

(c) except with respect to information and statements relating solely to the Underwriters and furnished by them specifically for use in the Prospectus and the Offering Documents, comply fully with the requirements of the Canadian Securities Laws.

(3) The Corporation shall cause commercial copies of the Prospectus and the U.S. Private Placement Memorandum to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents as soon as possible after the filing of the Prospectus with the Securities Commissions, but, in any event on or before noon (in the city to which such materials are to be delivered) on the next Business Day after the filing of the Prospectus. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Prospectus for the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and of the U.S. Private Placement Memorandum for the offer and sale of the Offered Shares in the United States in compliance with the provisions of this Agreement and U.S. Securities Laws. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriters' use thereof. The Corporation shall cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Offered Shares.

(4) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Shares, the Corporation will promptly provide to the Underwriters drafts of any press releases of the Corporation for review by the Underwriters prior to issuance and shall obtain the prior approval of the Underwriters as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld. Any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c under the U.S. Securities Act and any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation as follows: "*Not for distribution to the U.S. news wire services, or dissemination in the United States*".

Section 4 Material Change.

(1) During the period from the date of this Agreement to the completion of the distribution of the Offered Shares, the Corporation covenants and agrees with the Underwriters that it shall promptly notify the Underwriters in writing with full particulars of:

(a) any material change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against) (whether financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, assets, financial condition, capital or prospects of the Corporation, considered on a consolidated basis

(b) any material fact in respect of the Corporation which has arisen or has been discovered and would have been required to have been stated in any of the Offering

Documents had the fact arisen or been discovered on, or prior to, the date of such documents; and

(c) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Securities Laws.

The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of such fact or change; provided that the Corporation shall not file any Supplementary Material or other document without first providing the Underwriters with a copy of such Supplementary Material or other document and consulting with the Underwriters with respect to the form and content thereof. The Corporation shall in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this Section 4.

(2) If during the period of distribution of the Offered Shares there shall be any change in Canadian Securities Laws which, in the opinion of the Underwriters and their legal counsel, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Underwriters, the Corporation covenants and agrees with the Underwriters that it shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required.

Section 5 Regulatory Approvals.

The Corporation will make all necessary filings, obtain all necessary consents and approvals (if any) and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement. The Corporation will cooperate with the Underwriters in connection with the qualification of the Offered Shares for offer and sale and the grant of the Over-Allotment Option under the Canadian Securities Laws and in maintaining such qualifications in effect for so long as required for the distribution of the Offered Shares.

Section 6 Representations and Warranties of the Corporation.

The Corporation represents and warrants to each of the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Offered Shares, that:

(a) *Good Standing of the Corporation*. The Corporation (i) is a corporation existing under the laws of the Province of Ontario and is and will at the Time of Closing be current and up-to-date with all material filings required to be made and in good standing under the *Business Corporations Act* (Ontario), (ii) has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as now carried on by it as

described in the Offering Documents, and (iii) has all requisite corporate power and authority to issue and sell the Offered Shares, to grant the Over-Allotment Option and to execute, deliver and perform its obligations under this Agreement;

(b) *Good Standing of Subsidiaries*. The Corporation's only material subsidiaries are the Material Subsidiaries listed in Schedule "A" hereto, which schedule is true, complete and accurate in all respects. The Corporation's other subsidiaries are not material and do not have any material assets or liabilities. Each of the Material Subsidiaries is incorporated, organized and existing under the laws of the jurisdiction of incorporation set out in Schedule "A", is current and, other than as disclosed in subsection 6(uu), up-to-date with all material filings required to be made and has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as is now carried on by it or proposed to be carried on by it, and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required. All of the issued and outstanding shares in the capital the Material Subsidiaries have been duly authorized and validly issued, are fully paid and are directly or indirectly beneficially owned by the Corporation, free and clear of any Liens; and none of the outstanding securities of the Material Subsidiaries were issued in violation of the pre-emptive or similar rights of any security holder of such subsidiary. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Corporation to sell, transfer or otherwise dispose of any securities of the Material Subsidiaries;

(c) *No Proceedings for Dissolution*. No act or proceeding has been taken by or against the Corporation or the Material Subsidiaries in connection with their liquidation, winding-up or bankruptcy, or to their knowledge are pending;

(d) *Share Capital of the Corporation*. The authorized share capital of the Corporation described under the heading "Description of Securities being Offered" and the issued share capital of the Corporation described under the heading "Trading Price and Volume" in the Prospectus are true and correct. Neither the Corporation nor its Material Subsidiaries are party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any securities of the Corporation or its Material Subsidiaries;

(e) *Share Capital of Material Subsidiaries*. The ownership of securities of the Material Subsidiaries as set forth in Schedule "A" hereto is true and correct;

(f) *Form of Certificates*. The form of certificate respecting the Common Shares has been approved and adopted by the board of directors of the Corporation and does not conflict with any applicable laws or the articles or by-laws of the Corporation and complies with the rules and regulations of the TSX;

(g) *Securities are Listed*. The Common Shares are listed and posted for trading on the TSX, and the Corporation has applied to list the Offered Shares on the TSX, and neither the Corporation nor its subsidiaries has taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSX;

(h) *TSX Compliance*. The Corporation is, and will at the Time of Closing be, in compliance in all material respects with the by-laws, rules and regulations of the TSX;

(i) *No Cease Trade Orders*. No order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of securities by the Corporation has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Corporation's knowledge, pending, contemplated or threatened;

(j) *Reporting Issuer Status*. As at the date hereof, the Corporation is a "reporting issuer" in each of the provinces and territories of Canada within the meaning of Canadian Securities Laws in such jurisdictions and is not currently in default of any requirement of the Canadian Securities Laws of such jurisdictions and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions of such jurisdictions;

(k) *Securities Valid*. The Offered Shares have been, or prior to the Time of Closing will be, duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, the Offered Shares will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares. The Offered Shares will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(l) *Offered Shares Qualified Investments*. The Offered Shares will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, a registered disability savings plan and tax free savings accounts;

(m) *Transfer Agent*. Computershare Investor Services Inc. at its offices in Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares;

(n) *Absence of Rights*. No person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other security convertible into or exchangeable for any such shares or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Corporation except for the Existing Rights set out in Schedule "C" to this Agreement;

(o) *Corporate Actions*. The Corporation has taken, or will have taken prior to the Time of Closing, all necessary corporate action, (i) to authorize the execution, delivery and performance of this Agreement, (ii) to validly create, issue and sell the Offered Shares, and (iii) to grant the Over-Allotment Option;

(p) *Valid and Binding Document*. This Agreement has been or will be duly authorized, executed and delivered by the Corporation and constitutes or will constitute a legal, valid and binding obligation of, and is or will be enforceable against, the Corporation in accordance with its terms, provided that enforcement hereof or thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitation Act, 2002* (Ontario);

(q) *No Consents, Approvals etc*. The execution and delivery of this Agreement and the fulfilment of the terms hereof and thereof by the Corporation, and the issuance, sale and delivery of the Offered Shares to be issued and sold by the Corporation and the grant of the Over-Allotment Option, do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third party, except: (i) those which have been obtained or those which may be required and shall be obtained prior to the Time of Closing under the Securities Laws or the rules of the TSX, including in compliance with the Securities Laws regarding the distribution of the Offered Shares and the grant of the Over-Allotment Option in the Qualifying Jurisdictions, and (ii) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any "blue sky laws" in the United States, as may be required in connection with the Offering;

(r) *Continuous Disclosure*. The Corporation is in compliance in all material respects with its timely disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, prospects or capital of the Corporation and its subsidiaries (taken as a whole) which has not been publicly disclosed and the information and statements in the Documents Incorporated by Reference were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof. To the knowledge of the Corporation there are no circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII.1 – *Civil Liability for Secondary Market Disclosure* of the Ontario Act and analogous provisions under Securities Laws in the other Qualifying Jurisdictions;

(s) *Forward-Looking Information*. No forward-looking information within the meaning of Canadian Securities Laws included or incorporated by reference in the Prospectus has been made or reaffirmed by the Corporation without a reasonable basis in terms of the data and assumptions used, or has been disclosed other than in good faith;

(t) *Financial Statements*. Except as disclosed in the Prospectus (including the Documents Incorporated by Reference), the Financial Statements included or incorporated by reference in the Prospectus:

(i) present fairly, in all material respects, the financial position of the Corporation on a consolidated basis and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the respective entities referred to in such financial statements for the periods specified in such financial statements;

(ii) have been prepared in conformity with IFRS, applied on a consistent basis throughout the periods involved;

(iii) contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation and its subsidiaries that are required to be disclosed in such Financial Statements; and

(iv) do not contain any misrepresentations as they relate to the Corporation with respect to the period covered by the financial statements;

(u) *Off-Balance Sheet Transactions*. There are no off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or its subsidiaries whether direct, indirect, absolute, contingent or otherwise which are required to be disclosed and are not disclosed or reflected in the Financial Statements;

(v) *Accounting Policies*. There has been no change in accounting policies or practices of the Corporation or its subsidiaries since September 30, 2017, except as disclosed in the Prospectus (including the Documents Incorporated by Reference);

(w) *Liabilities*. Neither the Corporation, nor any of the subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not have a Material Adverse Effect;

(x) *Independent Auditors*. PricewaterhouseCoopers LLP is independent with respect to the Corporation within the meaning of Canadian Securities Laws and there has never been a "reportable event" (within the meaning of NI 51-102) with the auditors (or former auditors) of the Corporation during the last three years;

(y) *Accounting Controls*. The Corporation and the Material Subsidiaries maintain, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Corporation maintains disclosure controls and procedures and internal control over financial reporting as those terms are defined in NI 52-109 and as at September 30, 2017, such controls were operating effectively. Since the end of the Corporation's most

recent audited fiscal year, the Corporation is not aware of any material weakness in the Corporation's internal control over financial reporting (whether or not remediated) or in the Corporation's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Corporation's internal control over financial reporting;

(z) *Audit Committee*. The Corporation's board of directors has validly appointed an audit committee whose composition satisfies the requirements of NI 52-110, and the audit committee of the Corporation operates in accordance with all material requirements of NI 52-110;

(aa) *Purchases and Sales*. Except as publicly disclosed by the Corporation, neither the Corporation nor any of the Material Subsidiaries has approved or has entered into any agreement in respect of:

(i) the purchase of any material Business Assets or any interest therein other than as disclosed in the Prospectus, or the sale, transfer or other disposition of any Business Assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Material Subsidiaries whether by asset sale, transfer of shares, or otherwise;

(ii) the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Corporation or the Material Subsidiaries or otherwise) of the Corporation or the Material Subsidiaries; or

(iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or shares of the Material Subsidiaries;

(bb) *Title to Business Assets*. Subject to Subsection (ii) titled "Intellectual Property" below, the Corporation and the Material Subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licensed, loaned or used by them or over which they have rights, free and clear of Liens, other than as disclosed in the Prospectus, and no other rights or Business Assets are necessary for the conduct of the business of the Corporation or the Material Subsidiaries as currently conducted or as proposed to be conducted, the Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation or the Material Subsidiaries to use, transfer, license, sell, operate or otherwise exploit such Business Assets and neither the Corporation nor the Material Subsidiaries have any obligation to pay any commission, license fee or similar payment to any person in respect thereof, other than as disclosed in the Offering Documents;

(cc) *Regulatory Approvals and Authorizations*. The Corporation and the Material Subsidiaries have obtained and are in compliance with all regulatory approvals, licenses, consents, permits, certificates, registrations, filings and authorizations under all applicable laws in the jurisdictions in which they carry on business in all material respects, to permit them to conduct their business as currently conducted or proposed to be conducted, except for a permit related to two storage structures at the Corporation's building in Wuxi, China and as disclosed in subsection 6(hh). The Corporation and the Material Subsidiaries have obtained all necessary

regulatory approvals and are in compliance in all material respects with all applicable laws and regulations, including without limitation, laws related to International Traffic in Arms Regulations (ITAR) in the United States and Israel, digital content, telecommunications, mobile communications and media, import and export requirements, anticorruption, foreign exchange controls and cash repatriation restrictions, data privacy, anti-competition, environmental law and health and safety;

(dd) *Operation of the Business*. All agreements with third party contractors for the provision of equipment or services in connection with the business of the Corporation and the Material Subsidiaries have been entered into and are being performed by the Corporation and the Material Subsidiaries and, to the knowledge of the Corporation, by all other third parties thereto, in compliance with their terms and all standard, mandatory or necessary precautions, calibrations, checks and tests to ensure the successful design, production and supply of antennas have been and are being undertaken in connection therewith. Other than as disclosed in the Prospectus, to the knowledge of the Corporation there are no technical issues, defects or failures with respect to any of the Corporation's existing antennas except in each case as could not reasonably be expected to have a Material Adverse Effect.

(ee) *Business Relationships*. There exists no actual or, to the knowledge of the Corporation, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation or the Material Subsidiaries, with any strategic partner, supplier or customer, or any group of suppliers or customers whose business with or whose purchases or inventories/components provided to the business of the Corporation or the Material Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation or the Material Subsidiaries. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation or the Material Subsidiaries from conducting such business with any such strategic partner, supplier or customer, or group of suppliers or customers in the same manner in all material respects as currently conducted or proposed to be conducted.

(ff) *Real Property*. Neither the Corporation nor any of the subsidiaries owns or has any rights, title or interest whatsoever in any real property, other than a building in Wuxi, China;

(gg) *Leased Premises*. With respect to any Leased Premises, the Corporation or any of the Material Subsidiaries who occupy the Leased Premises have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or the Material Subsidiaries occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;

(hh) *Environmental and Workplace Laws*. Each of the Corporation and the Material Subsidiaries are currently in compliance in all material respects with any and all

applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety; and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any environmental laws, except for a potential fine imposed by the environmental agency in China relating to the use by Galtronics (Wuxi) Co. Ltd. of a chemical without the necessary permit. The facilities and operations of the Corporation and the Material Subsidiaries are currently being conducted, and to the knowledge of the Corporation have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies;

(ii) *Intellectual Property*.

(i) The Corporation or the Material Subsidiaries, as the case may be, are the owners of and possess all right, title and interest in and to all Corporation IP, or have a license or right to use, sell and license all of the Licensed IP, such Intellectual Property being all the material Intellectual Property that is used by the Corporation or the Material Subsidiaries in connection with their businesses and operations as presently conducted or proposed to be conducted, with good and marketable title or valid licenses thereto, free and clear of all Liens and subject to the terms and conditions of the licenses;

(ii) To the knowledge of the Corporation, the Corporation and the Material Subsidiaries have taken all commercially reasonable steps to validly maintain, and have not taken any steps that could constitute abandonment of, the Corporation IP, including paying all necessary fees and filing all appropriate registrations, affidavits and renewals with the appropriate Governmental Authorities;

(iii) The Corporation and the Material Subsidiaries, as applicable, have entered into valid and enforceable written agreements pursuant to which the Corporation and the Material Subsidiaries, as applicable, have been granted all licenses and permissions to use, reproduce, sub-license, sell, modify, update, enhance or otherwise exploit any Licensed IP to the extent required to operate all material aspects of the business of the Corporation and the Material Subsidiaries, as currently conducted and proposed to be conducted;

(iv) To the knowledge of the Corporation, all of the Corporation IP owned by the Corporation or the Material Subsidiaries was created by employees in the course of their employment or by contractors who have transferred and assigned all of their rights in and to such Corporation IP to the Corporation or the Material Subsidiaries pursuant to written assignment agreements and have waived their moral rights and rights of a similar nature in and to such Intellectual Property;

(v) Each employee of and contractor to the Corporation has signed a confidentiality and non-disclosure agreement and, to the knowledge of the Corporation, there have not been any breaches of such confidentiality and non-disclosure agreements and the employment of any employee or the retainer of any consultant of the Corporation does not, to the knowledge of the Corporation, violate any non-disclosure or non-competition agreement between any employee or consultant and a third party;

(vi) Except for such licenses, sublicenses and other agreements relating to off-the-shelf software, which is commercially available on a retail basis, each of the Corporation and the Material Subsidiaries has performed all obligations imposed upon it pursuant to all licenses, sublicenses, distributor agreements, and other agreements under which the Corporation or the Material Subsidiaries is either a licensor, licensee or distributor, relating to the Corporation IP or the Licensed IP, all of which are valid, enforceable and in full force and effect and which contain terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Intellectual Property, and neither the Corporation nor the Material Subsidiaries, nor to the knowledge of the Corporation any other party thereto, is in breach of or default thereunder in any material respect, nor is there any event which with notice or lapse of time or both would constitute a material default thereunder;

(vii) To the knowledge of the Corporation, none of the Corporation IP or the Licensed IP, the business operations, or the products or services owned, used, developed, sold, provided, imported, made, licensed or otherwise exploited by the Corporation or the Material Subsidiaries, infringes upon or otherwise violates any Intellectual Property rights of others;

(viii) To the knowledge of the Corporation and except as publicly disclosed by the Corporation, none of the Corporation IP or the Licensed IP is subject to any outstanding order, and no claims are pending or have been threatened in the preceding two year period, which: (A) challenge the validity, enforceability, use, ownership or right in or to any such Intellectual Property, (B) allege that the operation of the Corporation or the Material Subsidiaries' business as now conducted infringes or otherwise violates any Intellectual Property right or other proprietary rights(s) of a third party, and the Corporation has no knowledge of any facts which would form a valid basis for any such claim; or (C) contest the right of the Corporation or the Material Subsidiaries to sell, license or use any material products or services of the Corporation or the Material Subsidiaries;

(ix) To the knowledge of the Corporation, no person is infringing upon or otherwise violating the Corporation IP or the Licensed IP and neither the Corporation nor the Material Subsidiaries have brought or threatened any action, suit or proceeding for unauthorized use, disclosure, infringement or misappropriation of such Intellectual Property or breach of any license or agreement involving such Intellectual Property against any third party;

(x) Each of the Corporation and the Material Subsidiaries has taken all commercially reasonable actions to maintain and protect each item of the

Corporation IP, including taking all commercially reasonable actions and precautions to protect the secrecy, confidentiality and value of its Trade Secrets and the proprietary and confidential nature and value of its Intellectual Property;

(xi) Neither the Corporation nor any of the Material Subsidiaries distribute Software in connection with the business of the Corporation or the Material Subsidiaries; and

(xii) The Corporation and the Material Subsidiaries conduct their export transactions in accordance with all applicable import/export controls in the countries in which the Corporation or the Material Subsidiaries conduct business, including all applicable United States export and re-export controls, including the United States Export Administration Act and Regulations and Foreign Assets Control Regulations, the United States Government "International Traffic in Arms Regulations" laws and regulations, the "Canadian Controlled Goods Program" and analogous legislation in all other applicable jurisdictions. The Corporation and the Material Subsidiaries have obtained all material export and import licenses, license exceptions and other consents, notices, waivers, approvals, orders, authorizations, registrations, declarations and filings with any Governmental Authority required for (A) the export, import and re-export of products, services, software and technologies and (B) releases of technologies and software to foreign nationals located in the United States and abroad ("**Export Approvals**"), are in material compliance with the terms of such Export Approvals thereof, and there are no claims pending, or to the knowledge of the Corporation, threatened against the Corporation or the Material Subsidiaries with respect to such Export Approvals and the Corporation has no knowledge of any facts which would form a valid basis for any such claim;

(jj) *Data Security*. Each of the Corporation and the Material Subsidiaries has made backups of all material Software and databases used by it and maintain such backups at a secure off-site location. The Corporation and the Material Subsidiaries have taken all, commercially reasonable steps (i) to maintain the integrity and security of its systems and network infrastructure in connection with the collection, transmission and storage of electronic data, including video and imagery, (ii) to block the distribution of sensitive imagery which may be harmful to or breach the security interests of any country, and (ii) to protect the information technology and communication systems used in connection with their operations and business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit material unauthorized access or the unauthorized disablement, theft or erasure of its information technology systems, communication systems, imagery, products or Software. The Corporation and the Material Subsidiaries have disaster recovery and security plans and procedures in place and, to the knowledge of the Corporation, there have been no material unauthorized intrusions or breaches of the security of the information technology or communication systems used in connection with their operations and business;

(kk) *Privacy Protection*. Each of the Corporation and the Material Subsidiaries has security measures and safeguards in place to protect personal information it collects

from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation and the Material Subsidiaries have complied in all material respects with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in a manner that contravenes applicable privacy and consumer protection laws in any material respect. The Corporation and the Material Subsidiaries have taken all commercially reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;

(ll) *Product Recalls.* Neither the Corporation nor any Material Subsidiary has received any notice or communication from any customer or Governmental Authority alleging a material defect or claim in respect of any products supplied or sold by the Corporation or any Material Subsidiary to a customer and, to the Corporation's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Corporation or any Material Subsidiary in respect of any products supplied or sold by the Corporation or any Material Subsidiary;

(mm) *Research and Development*. To the knowledge of the Corporation, all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and the Material Subsidiaries in connection with their business is being conducted in accordance, in all material respects, with all industry, laboratory safety, management and training standards applicable to the Corporation's and the Material Subsidiaries' current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;

(nn) *Insurance*. The Corporation and the Material Subsidiaries maintain insurance against loss of, or damage to, the Business Assets on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default except in each case as could not reasonably be expected to have a Material Adverse Effect, and the Corporation has not failed to promptly give any notice of any material claim thereunder;

(oo) *Material Agreements*. All of the Material Agreements of the Corporation and of the Material Subsidiaries have been disclosed in the Offering Documents and each Material Agreement is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Corporation and the Material Subsidiaries have performed all material obligations in a timely manner under each Material Agreement. Neither the Corporation nor the Material Subsidiaries is in violation, breach or default nor has it received any notification from any party claiming that the Corporation or the Material Subsidiaries is in breach, violation or default under any Material Agreement and no other party, to the knowledge of the Corporation, is in breach, violation or default of any term under any Material Agreement;

(pp) *No Material Changes*. Since September 30, 2017, other than as disclosed in the Prospectus (a) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Corporation and the Material Subsidiaries considered as one enterprise, and (b) there have been no transactions entered into by the Corporation or the Material Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Corporation and the Material Subsidiaries considered as one enterprise;

(qq) *Absence of Proceedings*. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, the Business Assets or any subsidiary which is required to be disclosed in the Offering Documents, and which if not so disclosed, or which if determined adversely, would have a Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Corporation or any subsidiary is a party or of which any of their respective property or assets is subject, which are not described in the Offering Documents include only ordinary routine litigation incidental to the business, properties and assets of the Corporation and the subsidiaries and would not reasonably be expected to result in a Material Adverse Effect;

(rr) *Absence of Defaults and Conflicts*. Neither the Corporation nor the Material Subsidiaries is in violation, default or breach of, and the execution, delivery and performance of this Agreement, the Offering Documents and the consummation of the transactions and compliance by the Corporation with its obligations hereunder, the sale of the Offered Shares and the grant of the Over-Allotment Option, do not and will not, whether with or without the giving of notice or passage of time or both, result in a violation, default or breach of, or conflict with, or result in the creation or imposition of any Lien upon any property or assets of the Corporation, or the Material Subsidiaries under the terms or provisions of (i) any Material Agreements, (ii) the articles or by-laws or other constating documents or resolutions of the directors or shareholders of the Corporation or the Material Subsidiaries, (iii) any existing applicable law, statute, rule, regulation including applicable Securities Laws and the rules and regulations of the TSX, (iv) any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Corporation, or the Material Subsidiaries or any of their assets, properties or operations.

(ss) *Labour*. No material labour dispute with the employees of the Corporation or the Material Subsidiaries currently exists or, to the knowledge of the Corporation, is imminent. Other than employees (other than management) of the Corporation's Wuxi, China facilities, neither the Corporation nor any of the Material Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Corporation, no action has been taken or is contemplated to organize any non-unionized employees of the Corporation or the Material Subsidiaries. Neither the Corporation nor any of the Material Subsidiaries is subject to any outstanding

wrongful dismissal lawsuits, complaints under human rights legislation, workers' compensation penalties, occupational health and safety charges, complaints under employment standards legislation or grievances in a unionized workplace which if determined adversely to the Corporation or such Subsidiary would reasonably be expected to have a Material Adverse Effect, except for a claim for wrongful dismissal in Israel which the Corporation is disputing;

(tt) *Executive Compensation.* The directors and "named executive officers" (as defined under Canadian Securities Laws) of the Corporation and the Material Subsidiaries and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, are as disclosed in the Offering Documents;

(uu) *Taxes*. All tax returns, reports, elections, remittances and payments of the Corporation and the subsidiaries required by applicable law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be) and are true, complete and correct except where the failure to make such filing, election, or remittance and payment would not constitute a Material Adverse Effect, and all taxes of the Corporation and of the subsidiaries have been paid or accrued in the Financial Statements (except as any extension may have been requested or granted and in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect), other than the tax return for Galtronics Corporation Ltd. in respect of the year ended December 31, 2016. To the best of the knowledge of the Corporation, after due enquiry, no examination of any tax return of the Corporation or the subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation or the subsidiaries, except as are related to the remittance of sales tax in the United States which has been voluntarily disclosed by the Corporation;

(vv) *Unlawful Payment*. Neither the Corporation nor the Material Subsidiaries nor to the knowledge of the Corporation, any employee or agent of the Corporation or the Material Subsidiaries, has made any unlawful contribution or other payment to any official of, or candidate for, any Chinese, Vietnamese, Canadian or United States federal, state, provincial or municipal office or any similar office of any other country, or failed to disclose fully any contribution, in violation of any law, or made any payment to any federal, provincial, state or municipal governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws;

(ww) *Foreign Corrupt Practices A*ct. None of the Corporation, any of its Subsidiaries or, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other person acting on behalf of the Corporation or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the *Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (the "**FCPA**") or the *Corruption of Foreign Public Officials Act* (Canada), as amended (the "**CFPOA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value

to any "foreign official" (as such term is defined in the FCPA), or any "foreign public official" (as such term is defined in the CFPOA), or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the CFPOA, and the Corporation and, to the knowledge of the Corporation , its affiliates have conducted their businesses in compliance with the FCPA and the CFPOA;

(xx) *Money Laundering Laws*. The operations of the Corporation and its Subsidiaries are, and, to the knowledge of the Corporation, have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;

(yy) *Significant Acquisitions*. The Corporation has not completed any "significant acquisition" nor has it entered into a binding agreement in respect of any "probable acquisition" (as such terms are defined in NI 51-102) and no proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high such that Canadian Securities Laws would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a Business Acquisition Report pursuant to Canadian Securities Laws;

(zz) *Corporation Short Form Eligible*. The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Shares that will not have been filed as required;

(aaa) *Status in the U.S*. The Corporation makes the representations, warranties and covenants applicable to it in Schedule "B" hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule "B" form part of this Agreement;

(bbb) *Compliance with Laws*. The Corporation has complied, or will have complied, in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Time of Closing in connection with the Offering. Neither the Corporation nor the Material Subsidiaries are aware of any legislation or proposed legislation, which they anticipate will have a Material Adverse Effect on the Offering;

(ccc) *No Loans*. Neither the Corporation nor the Material Subsidiaries have made any material loans to or guaranteed the material obligations of any person, except as disclosed in the Prospectus (including the Documents Incorporated by Reference);

(ddd) *Directors and Officers*. Except as disclosed in the Documents Incorporated by Reference, none of the directors or officers of the Corporation are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(eee) *Minute Books and Records*. The minute books and records of the Corporation made available to counsel for the Underwriters in connection with their due diligence investigation of the Corporation for the period from the respective dates of incorporation to the date hereof are all of the minute books and records of the Corporation and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation to the date hereof not reflected in such minute books and other records, other than those which have been disclosed to the Underwriters or which are not material in the context of the Corporation;

(fff) *Employee Plans*. The Prospectus discloses, to the extent required by applicable Canadian Securities Laws, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

(ggg) *No Dividends*. The Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There are no restrictions upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation in the constating documents or in any Material Agreements;

(hhh) *Fees and Commissions*. Other than the Underwriters (and their selling group members) pursuant to this Agreement, there is no other person acting at the request of the Corporation, or to the knowledge of the Corporation, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;

(iii) *Entitlement to Proceeds*. Other than the Corporation, there is no person that is or will be entitled to demand the proceeds of the Offering;

(jjj) *Related Parties*. Other than as disclosed in the Prospectus, none of the directors, officers or employees of the Corporation, any known holder of more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the Ontario Act), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to materially affect the Corporation and the Material Subsidiaries, on a consolidated basis. Neither the Corporation nor the Material Subsidiaries has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with them; and

(kkk) *Full Disclosure*. The Corporation has not withheld and will not withhold from the Underwriters prior to the Time of Closing, any material facts relating to the Corporation, its subsidiaries or the Offering.

Section 7 Covenants of the Corporation

The Corporation covenants and agrees with the Underwriters, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Shares, that:

(1) *Notification of Filings*. The Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Offering Documents or any supplement thereof shall have been filed and will provide evidence reasonably satisfactory to the Underwriters of each such filing;

(2) *Notification of Adverse Matters*. Between the date hereof and the date of completion of the distribution of the Offered Shares, the Corporation will advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of:

(a) the issuance by any Securities Commission of any order suspending or preventing the use of the Offering Documents;

(b) the suspension of the qualification of the Offered Shares in any of the Qualifying Jurisdictions; or

(c) the institution, threatening or contemplation of any proceeding for any such purposes; or any requests made by any Securities Commission or stock exchange for amending or supplementing the Offering Documents in any material way, or for additional material information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (a) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(3) *Standstill*. The Corporation agrees not to issue, sell, grant any option for the sale of or offer or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares for a period commencing on the date thereof and ending 90 days following

the Closing Date without the prior written consent of RJL, on behalf of the Underwriters, such consent not to be unreasonably withheld, except in conjunction with: (i) this Agreement, (ii) the grant of stock options in the normal course pursuant to any stock option plans of the Corporation, provided such stock options are granted with an exercise price not less than the Offering Price; (iii) the issuance of securities of the Corporation upon the conversion, exercise of exchange of convertible, exercisable or exchangeable securities existing on the date hereof or upon exercise of stock options granted in accordance with (ii) above; (iv) the issuance of up to 200,000 Common Shares to employees and officers of the Corporation as compensation for past services; or (v) the issuance of securities of the Corporation in connection with an arm's length acquisition of assets or securities of a company.

(4) *Maintain Reporting Issuer Status*. The Corporation will use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the Qualifying Jurisdictions, to the date that is at least 12 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation;

(5) *Maintain Stock Exchange Listing*. The Corporation will use commercially reasonable efforts to maintain the listing of the Common Shares on the TSX or such other recognized stock exchange or quotation system as RJL, on behalf of the Underwriters may approve, acting reasonably, for a period of at least 12 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation and except in connection with a *bona fide* take-over bid made to all shareholders of the Corporation or similar business combination transaction;

(6) *Validly Issued Securities*. The Corporation will ensure that at the Time of Closing, provided it receives payment therefor, the Offered Shares have been validly issued and outstanding as fully-paid and non-assessable Common Shares;

(7) *Use of Proceeds*. The Corporation will use the net proceeds of the Offering in the manner specified in the Prospectus under the heading "Use of Proceeds", including circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary;

(8) *Consents and Approvals*. The Corporation will have made or obtained, as applicable, at or prior to the Closing time, all consents, approval, permits, authorizations or filings as may be required by the Corporation under Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws, "blue sky laws" in the United States and the rules of the TSX;

(9) *Closing Conditions*. The Corporation will have, at or prior to the Time of Closing, fulfilled or caused to be fulfilled, each of the conditions set out in Section 9 hereof; and

(10) *Lock*-Ups. At or prior to the Closing Time, the Corporation shall cause each of the directors and executive officers of the Corporation to enter into a lock-up undertaking in favour of the Underwriters pursuant to which such person (and each of such person's associates and affiliates) shall agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common

Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of RJL, on behalf of the Underwriters (such consent not to be unreasonably withheld), other than in conjunction with: (i) transfers by any such person to its affiliates for tax or other *bona fide* tax or estate planning purposes, provided that each transferee shall, as a condition precedent to such transfer, agree to enter into a substantially similar undertaking; (ii) in order to accept a *bona fide* take-over bid made to all securityholders of the Corporation or similar business combination transaction; or (iii) the exercise or conversion of any securities by a director or executive officer (including, without limitation, stock options and warrants), provided that any Common Shares or other securities received upon such exercise or conversion will also be subject to the lock-up undertaking.

Section 8 Representations, Warranties and Covenants of the Underwriters

(1) Each Underwriter hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Corporation that:

(a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder; and

(b) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.

(2) The Underwriters hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Corporation, the following:

(a) *Compliance with Securities Laws*. The Underwriters will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Shares.

(b) *U.S. Sales*. The Underwriters will not directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any Offering Document to purchasers so as to require registration of the Offered Shares or filing of a prospectus or registration statement with respect to those Offered Shares under the laws of any jurisdiction other than the Qualifying Jurisdictions, including, without limitation, the United States. Any offer or sales of Offered Shares (including any unsold allotment of Offered Shares) in the United States will be made in accordance with the terms and conditions set out in this Agreement. The terms and conditions and the representations and warranties and covenants of the parties contained in Schedule “B“ form part of this Agreement.

(c) *Completion of Distribution*. Each of the Underwriters will use its commercially reasonable efforts to complete the distribution of the Offered Shares as promptly as possible after the Time of Closing. RJL will notify the Corporation when, in RJL’ opinion, the Underwriters have ceased the distribution of the Offered Shares, and, within 30 calendar days after completion of the distribution, will provide the Corporation, in writing, with a breakdown of the total proceeds realized or number

of Offered Shares sold (i) in each of the Qualifying Jurisdictions, and (ii) in any other Selling Jurisdictions.

(d) *Liability on Default*. No Underwriter shall be liable to the Corporation under this Section 8 with respect to a breach or default by any of the other Underwriters.

Section 9 Conditions of Closing

The Underwriters' obligation to purchase the Offered Shares pursuant to this Agreement (including, to the extent the Over-Allotment Option is exercised, the Over-Allotment Shares, as the case may be) shall be subject to the following conditions:

(1) the Underwriters receiving at the Time of Closing, favourable legal opinions from Aird & Berlis LLP, counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Underwriters as to the qualification of the Offered Shares for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the auditor or transfer agent of the Corporation), to the effect set forth below:

(a) the Corporation is a corporation validly incorporated and existing under the *Business Corporations Act* (Ontario) and has all requisite corporate power and capacity to carry on business, to own and lease its properties and assets;

(b) the Corporation is a reporting issuer within the meaning of Canadian Securities Laws in each of the Qualifying Jurisdictions and is not in default under the Canadian Securities Laws of any Qualifying Jurisdiction;

(c) the Corporation has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and to issue and sell the Offered Shares and grant the Over-Allotment Option;

(d) the authorized and issued capital of the Corporation;

(e) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and this Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;

(f) the execution and delivery of this Agreement and the fulfilment of the terms hereof by the Corporation and the issuance, sale and delivery of the Offered Shares and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will

not conflict with the articles and by-laws of the Corporation, or any applicable corporate law or Canadian Securities Laws;

(g) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Offering Documents and the filing thereof with the Securities Commissions in the Qualifying Jurisdictions;

(h) all necessary corporate action has been taken by the Corporation to duly create and authorize and validly issue the Offered Shares to the Underwriters on the terms and conditions of this Agreement and, upon the Corporation having received the consideration for the issue of the Offered Shares, the Offered Shares will be validly issued as fully paid and non-assessable Common Shares;

(i) the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option have been authorized and allotted for issuance and, upon the due exercise of the Over-allotment Option, the Over-Allotment Shares will be validly issued as fully paid and non-assessable Common Shares;

(j) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to permit the Offered Shares to be offered, sold and delivered in the Qualifying Jurisdictions by or through investment dealers or brokers duly registered under the applicable Canadian Securities Laws who comply with the relevant provisions of such laws and the terms of such registration and to qualify the grant of the Over-Allotment Option to the Underwriters;

(k) the attributes and characteristics of the Offered Shares conform in all material respects with the statements relating thereto contained in the Prospectus;

(l) the form of the certificate respecting the Offered Shares has been approved and adopted by the board of directors of the Corporation and does not conflict with the articles or by-laws of the Corporation or any applicable laws and complies with the rules and regulations of the TSX;

(m) the statements set forth in the Prospectus under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” are accurate in all material respects, subject to the limitations and qualifications set out therein;

(n) subject only to the standard listing conditions, the Offered Shares have been conditionally listed or approved for listing on the TSX; and

(o) to such other matters as may reasonably be requested by the Underwriters no less than 48 hours prior to the Time of Closing,

in a form acceptable to counsel to the Underwriters and their counsel, acting reasonably.

(2) the Underwriters receiving, at the Time of Closing, the favourable legal opinion dated the Closing Date from Dorsey & Whitney LLP, special United States counsel for the Corporation, to the effect that registration of the Offered Shares offered and sold in the

United States in accordance with this Agreement (including Schedule "B" hereto) will not be required under the U.S. Securities Act, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably;

(3) the Underwriters receiving, at the Time Closing, favourable legal opinions from legal counsel to the Corporation acceptable to the Underwriters, regarding each of the Material Subsidiaries in a form acceptable to the Underwriters and their counsel, acting reasonably, to the effect set out below:

(a) the subsidiary having been incorporated and existing under its jurisdiction of incorporation;

(b) the subsidiary having the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Prospectus; and

(c) as to the authorized and issued share capital of the subsidiary and to the ownership thereof;

(4) the Underwriters having received certificates dated the Closing Date and signed by two senior officers of the Corporation as may be acceptable to the Underwriters, acting reasonably, in form and content satisfactory to the Underwriters, acting reasonably, with respect to:

(a) the constating documents of the Corporation;

(b) the resolutions of the directors of the Corporation relevant to the Offering Documents, the sale of the Offered Shares, the grant of the Over-Allotment Option, and the authorization of this Agreement and the transactions contemplated herein and therein; and

(c) the incumbency and signatures of signing officers for the Corporation;

(5) the Underwriters receiving certificates of status and/or compliance, where issuable under applicable law, for the Corporation and the Material Subsidiaries, each dated within one Business Day prior to the Closing Date;

(6) the Underwriters receiving, at the Time of Closing, an auditor comfort letter dated the Closing Date from PricewaterhouseCoopers LLP, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 3(1)(c) hereof;

(7) the Underwriters receiving from the Corporation at the Time of Closing, a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer or such other senior officer(s) of the Corporation as may be acceptable to the Underwriters, certifying for and on behalf of the Corporation and without personal liability, that to the best of the knowledge, information and belief of the persons so signing, after having made due enquiries, that:

(a) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Offered Shares or any other securities of the Corporation (including the Common Shares) has been issued by any regulatory

authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under Canadian Securities Laws or by any Securities Regulator;

(b) since the respective dates as of which information is given in the Prospectus (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Corporation on a consolidated basis, and (B) no material transaction has been entered into by either the Corporation or the Material Subsidiaries which constitutes a material change to the Corporation on a consolidated basis, other than as disclosed in the Prospectus or the Supplementary Material, as the case may be;

(c) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact or new material fact) contained in the Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus or which would result in the Prospectus not complying with applicable Securities Laws;

(d) the Corporation has complied in all material respects (except where already qualified by materiality, in which case the Corporation has complied in all respects) with all the covenants and satisfied in all material respects (except where already qualified by materiality, in which case the Corporation has complied in all respects) all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Time of Closing; and

(e) the representations and warranties of the Corporation contained in this Agreement, and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as of the Time of Closing as if such representations and warranties were made as at the Time of Closing, after giving effect to the transactions contemplated hereby;

(8) the Underwriters receiving, at the Time of Closing, a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the end of business day on the date prior to the Closing Date;

(9) at the Time of Closing, no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Shares or any of the Corporation's issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Corporation, threatened by any securities regulatory authority or the TSX;

(10) the Corporation having delivered to the Underwriters evidence of the approval (or conditional approval) of the listing and posting for trading of the Offered Shares on the TSX, subject only to satisfaction by the Corporation of standard listing conditions;

(11) the Corporation complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Time of Closing;

(12) the Underwriters not having exercised any rights of termination set forth herein;

(13) to the extent not previously provided, the Underwriters shall have received the lock-up undertakings requested by the Underwriters pursuant to Section 7(10); and

(14) the Underwriters having received at the Time of Closing such further certificates, opinions of counsel and other documentation from the Corporation contemplated herein, provided, however, that the Underwriters or their counsel shall request any such certificate or document within a reasonable period prior to the Time of Closing that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

Section 10 Closing

(1) *Location of Closing*. The Offering will be completed at the offices of Aird & Berlis LLP in Toronto, Ontario at the Time of Closing.

(2) *Securities, Fees and Estimated Expenses*. At the Time of Closing, subject to the terms and conditions contained in this Agreement, the Corporation will: (i) deposit, for the respective accounts of the Underwriters, the Initial Shares (other than Initial Shares sold in the United States pursuant to Rule 506(b) of Regulation D) electronically with CDS through its non-certificated inventory system, registered as directed by RJL, on behalf of the Underwriters, in writing not less than 24 hours prior to the Time of Closing; and (ii) deliver to RJL, on behalf of the Underwriters, certificates representing the Initial Shares sold in the United States pursuant to Rule 506(b) of Regulation D. All certificates delivered to the Underwriters representing the Initial Offered Shares sold in the United States pursuant to Rule 506(b) of Regulation D shall be registered in such names as RJL, on behalf of the Underwriters, may direct the Corporation in writing not less than 24 hours prior to the Time of Closing, against payment by the Underwriters to the Corporation, at the direction of the Corporation, of the aggregate purchase price for the Offered Shares less an amount equal to the Initial Commission and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters payable pursuant to 14, by wire transfer, or if permitted by applicable Law, certified cheque or bank draft, in Canadian currency payable at par in Toronto, Ontario, together with a receipt signed by RJL (on behalf of the Underwriters) for such electronic deposit and for receipt of the Initial Commission and such estimated expenses. As soon as practicable following the Time of Closing, the Underwriters shall submit an invoice with respect to the actual reasonable out of-pocket fees and expenses of the Underwriters payable by the Corporation pursuant to Section 14. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters payable by the Corporation is less than the estimated amount thereof paid to the Underwriters on closing, the Underwriters shall reimburse the Corporation for the amount of such difference. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation is greater than the estimated amount thereof paid to the Underwriters on Closing, the Corporation shall promptly pay the amount of such difference to the Underwriters.

Section 11 Closing of the Over-Allotment Option

(1) *Closing*. The purchase and sale of the Over-Allotment Shares, if required, shall be completed at such time and place as the Underwriters and the Corporation may agree, but in no event shall such closing occur later than five Business Days after written notice to purchase Over-

Allotment Shares under the Over-Allotment Option is given in the manner contemplated herein.

(2) *Securities*. At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement:

(a) the Corporation will: (i) deposit, for the respective accounts of the Underwriters, the Over-Allotment Shares electronically with CDS through its non-certificated inventory system, against payment by the Underwriters to the Corporation, at the direction of the Corporation, of the aggregate purchase price for the Over-allotment Shares less an amount equal to the Over-allotment Commission and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters payable pursuant to 14, by wire transfer, or if permitted by applicable Law, certified cheque or bank draft, in Canadian currency payable at par in Toronto, Ontario, together with a receipt signed by RJL (on behalf of the Underwriters) for such electronic deposit and for receipt of the Over-Allotment Commission and such estimated expenses.

(3) *Deliveries*. The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 9 relating to closing deliveries) shall apply *mutatis mutandis* to the Closing of the issuance of any Over-Allotment Shares pursuant to any exercise of the Over-Allotment Option.

(4) *Adjustments*. In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Offering Price and to the number of Over-Allotment Shares issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

Section 12 Indemnification and Contribution

(1) The Corporation and its subsidiaries or affiliated companies, as the case may be (collectively, the "**Indemnitor**") hereby agrees to indemnify and hold each of the Underwriters, and/or any of their respective affiliates and subsidiaries and each of their respective directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling the Underwriters or any of their subsidiaries or affiliates (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") harmless from and against any and all expenses, losses, claims, actions (including shareholder actions, derivative or otherwise), suits, proceedings, damages, liabilities or expenses of whatever nature or kind, whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the reasonable fees and expenses of their counsel (collectively, the "**Losses**") that may be incurred in investigating or advising with respect to and/or defending or settling any actual or threatened third party action, suit, proceeding, investigation or claim (collectively, the "**Claims**") that may be made against the Indemnified Parties or to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Losses and/or Claims arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection

with the matters referred to in this Agreement including, without limitation, in any way caused by, or arising directly or indirectly from, or in consequence of:

(a) any misrepresentation or alleged misrepresentation contained in this Agreement or in the Prospectus or the failure of the Corporation to comply with any of its obligations hereunder;

(b) any information or statement (except any information or statement relating solely to the Underwriters and furnished by them for use in such document) contained in any certificate of the Corporation delivered under or pursuant to this Agreement at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(c) any omission or alleged omission to state, in any certificate of the Corporation delivered under or pursuant to this Agreement, any fact (except facts relating solely to the Underwriters), whether material or not, required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made; or

(d) the non-compliance or alleged non-compliance by the Corporation with any requirements of the Securities Laws.

(2) The Indemnitor agrees to waive any right it may have of first requiring the Indemnified Parties to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity contained in this Section 12. The Indemnitor also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Indemnitor or any person asserting claims on behalf of or in right of the Indemnitor for or in connection with the Offering except to the extent any losses suffered by the Indemnitor are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence or wilful misconduct of such Indemnified Party.

(3) Notwithstanding anything to the contrary contained herein, the indemnity in this Section 12 (including any obligation of the Indemnitor to make payments or otherwise reimburse expenses as provided herein) shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that: (i) the Indemnified Party shall have been negligent or dishonest or have committed any fraudulent act in the course of the performance of professional services rendered to the Corporation by the Indemnified Parties or otherwise in connection with the matters referred to in this Agreement; and (ii) the Losses as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud referred to in (i), and such Indemnified Party shall reimburse any funds advanced by the Corporation to the Indemnified Parties pursuant to this Section 12 in respect of such Losses and all reasonably incurred fees and expenses of the Indemnitor's legal counsel that may be incurred in advising with respect to and/or defending any such Claims or determining the event itemized in (i) and (ii) above.

(4) If for any reason (other than a determination as to any of the events referred to above) the foregoing indemnity is unavailable to an Indemnified Party, or is insufficient to hold them harmless, then the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor or its shareholders on the one hand and

the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations, provided that the Indemnitor shall in any event contribute to the Losses paid or payable by the Indemnified Party as a result of such Claim, in such amount that is in excess of the amount of the Commission actually received by the Underwriters pursuant to this Agreement. In the case of liability arising out of the Offering Documents, the relative fault of the Corporation, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 12 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation or the Underwriters and the parties' relative intent knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 12. In no event, shall the Indemnified Parties be responsible to pay any amount in excess of the amount of the Commission actually received by it and the Indemnitor agrees not to seek or claim any such excess amounts in any circumstances. In the event that the Indemnitor may be entitled to contribution from the Indemnified Parties under the provisions of any statute or law, the Indemnitor shall be limited to contribution in any amount not exceeding the lesser of the portion of the Losses giving rise to such contribution for which the Underwriters are responsible and the amount of the Commission received by the Underwriters.

(5) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Underwriters will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such Claim or investigation or results in any material increase in the liability which the Indemnitor would otherwise have under this Section 12 had the Underwriters not so delayed in giving or failed to give the notice required hereunder. The Indemnitor shall be entitled, at its own expense, to participate in and assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Indemnified Party and the Indemnitor shall throughout the course thereof provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of all discussions and significant actions proposed in respect thereof. If such defence is not assumed by the Indemnitor, the Indemnified Parties shall throughout the course thereof provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of all discussions and significant actions proposed in respect thereof.

(6) Notwithstanding the foregoing paragraph, any Indemnified Party shall also have the right to employ separate counsel in any such Claim and participate in the defence thereof, and the fees and expenses of such counsel shall be borne by the Indemnified Party unless:

(a) the Corporation has failed, within a reasonable period of time after receipt of notice, to assume the defense of such Claim;

(b) the employment of separate counsel has been specifically authorized in writing by the Corporation;

(c) the named parties to any such Claim include both the Indemnitor and the Indemnified Parties and the Indemnified Parties have been advised by their counsel that representation of both parties by the same counsel would be inappropriate due to an actual or a potential conflict of interest; or

(d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Indemnitor such that there may be a conflict of interest between the parties or the subject matter of the Claim may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf),

in which case such fees and expenses of such counsel to the Indemnified Parties shall be for the Indemnitor's account.

(7) The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or any such authority shall investigate the Indemnitor and/or any Indemnified Party and the personnel of such Indemnified Party shall be required to testify in connection therewith or shall be required to participate or respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Indemnified Parties, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party monthly for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Indemnitor as they occur.

(8) A party hereunder shall not, without the other party's prior written consent, such consent not to be unreasonably withheld or delayed, settle, compromise or consent to the entry of any judgment or make an admission of liability with respect to any Claims or seek to terminate any Claims in respect of which indemnification may be sought hereunder. Neither party hereunder shall be liable for any such settlement of any Claim unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.

(9) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.

(10) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy, security or claim payment from any other person before claiming under this indemnity. The Indemnitor hereby acknowledges that the Underwriters are acting as trustees for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

(11) The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties.

Section 13 Compensation of the Underwriters

The Corporation will pay to the Underwriters a fee equal to 6.0% of the aggregate gross proceeds received from the sale of the Initial Shares (the "**Initial Commission**") and a fee equal to 6.0% of the aggregate gross proceeds received from the sale of the Over-Allotment Shares in respect of which the Over-Allotment Option has been exercised (the "**Over-Allotment Commission**").

Section 14 Expenses

Whether or not the purchase and sale of the Offered Shares shall be completed, all costs and expenses of or incidental to the sale and delivery of the Offered Shares and of or incidental to all matters in connection with the transactions herein shall be borne by the Corporation, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Offered Shares, the reasonable fees and expenses of the Corporation's counsel, auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the reasonable expenses and fees incurred by the Underwriters which shall include the reasonable fees and disbursements of the Underwriters' counsel and applicable taxes thereon. The Underwriters' estimated expenses may be deducted from the gross proceeds otherwise payable to the Corporation pursuant to Section 10 or 11 hereof, as applicable, and such Underwriters' expenses will be payable by the Corporation to RJL, on behalf of the Underwriters, at the Time of Closing upon receiving particulars regarding such expenses or upon receipt of an invoice from the Underwriters in respect thereof.

Section 15 All Terms to be Conditions

The Corporation agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and each of the Corporation and the Underwriters will use its respective commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in this Agreement that are in the control of the Corporation shall entitle the Underwriters to terminate their obligation to purchase the Offered Shares, by written notice to that effect given to the Corporation at or prior to the Time of Closing. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriters in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

Section 16 Termination by Underwriters in Certain Events

(1) Each Underwriter shall also be entitled to terminate its obligation to purchase the Offered Shares by written notice to that effect given to the Corporation at or prior to the Time of Closing if:

(a) *material change* - there shall be any material change (actual, anticipated, contemplated, threatened, financial or otherwise) in the assets, liabilities

(contingent or otherwise), business, affairs, operations, prospects, capital or control of the Corporation and its subsidiaries taken as a whole, or there should be discovered any previously undisclosed material or new Material Fact (other than a material fact related solely to any of the Underwriters) required to be disclosed in the Prospectus or any amendment thereto, in each case which, in the reasonable opinion of the Underwriters (or any of them), has resulted in purchasers of a material number of the Offered Shares exercising their right under applicable Securities Laws to withdraw from their purchase thereof or rescind from the purchase thereof or sue for damages in respect thereof or which has or could reasonably be expected to have a significant adverse effect on the market price or value of the Offered Shares;

(b) *restrictions on distribution* - any inquiry, action, suit, investigation or other proceeding in relation to the Corporation or any of the directors or senior officers of the Corporation, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, threatened or publicly announced or any order is made under or pursuant to any statute or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, stock exchange, regulatory authority, agency or instrumentality or there is any enactment or change of law or regulation, or interpretation or administration thereof, (unless solely based on the activities or alleged activities of the Underwriters), which in the reasonable opinion of the Underwriters (or any of them), could operate to prevent or restrict the trading of the Common Shares or which seriously adversely affects, or will, or could seriously adversely affect the market price or value of the Offered Shares;

(c) *disaster out* - if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including terrorism) or any new law or regulation or a change thereof which in the reasonable opinion of the Underwriters (or any of them) seriously adversely affects or involves, or will, or could reasonably be expected to, seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole or the marketability of the Offered Shares; or

(d) *breach* - the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false.

(2) If this Agreement is terminated by any of the Underwriters pursuant to Section 16(1), there shall be no further liability on the part of such Underwriter or of the Corporation to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Sections 12 and 14.

(3) The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 16 shall not be binding upon the other Underwriters.

Section 17 Obligations of the Underwriters to be Several

(1) Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Initial Offered Shares shall be several and not joint. The percentage of the Initial Offered Shares (and any Over-Allotment Offered Shares in the event the Over-Allotment Option is exercised) to be severally purchased and paid for by each of the Underwriters shall be as follows:

Raymond James Ltd.	70%
Paradigm Capital Inc.	30%
	100%

(2) If an Underwriter (a "**Refusing Underwriter**") shall not complete the purchase and sale of the Initial Shares (the "**Defaulted Offered Shares**") which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") shall be entitled, at their option, to purchase all but not less than all of the Defaulted Offered Shares which would otherwise have been purchased by such Refusing Underwriter pro rata according to the number of Initial Shares to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If the Continuing Underwriters do not elect to purchase the Defaulted Offered Shares pursuant to the foregoing:

(a) if the number of Defaulted Offered Shares does not exceed 10% of the number of Initial Shares to be purchased hereunder, the Continuing Underwriters shall be obligated, each severally, and not jointly, nor jointly and severally, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligation of all Continuing Underwriters, or

(b) if the number of Defaulted Offered Shares exceeds 10% of the number of Initial Shares to be purchased hereunder, the Continuing Underwriters may, but shall not be obligated to purchase any of the Defaulted Offered Shares and the Corporation shall have the right to either: (i) proceed with the sale of the Initial Shares (less the Defaulted Offered Shares) to the Continuing Underwriters; or (ii) terminate its obligations hereunder without liability to the Continuing Underwriters, except pursuant to the provisions of Sections 12 and 14. Nothing in this Section 17 shall oblige the Corporation to sell to any or all of the Underwriters less than all of the Initial Shares to be sold at the Time of Closing or shall relieve any Refusing Underwriter from liability to the Corporation or any Continuing Underwriters in respect of its default hereunder.

(3) Without affecting the firm obligation of the Underwriters to purchase from the Corporation 7,340,426 Initial Shares at the Offering Price in accordance with this Agreement, after the Underwriters have made reasonable effort to sell all of the Offered Shares at the Offering Price, the Offering Price may be decreased by the Underwriters and further changed from time to time to an amount not greater than the Offering Price specified herein. Such decrease in the Offering Price will decrease the Commission ($0.14 per Offered Share) to be paid by the Corporation to the Underwriters, and it will not decrease the amount of the net proceeds of the Offering to be paid by the Underwriters to the Corporation ($2.21 per Offered Share), before deducting expenses of the Offering. The Underwriters will inform the Corporation if the Offering Price is decreased.

Section 18 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered,

(1) in the case of the Corporation, to:

Baylin Technologies Inc.
4711 Yonge Street
Suite 500
Toronto, ON M2N 6K8

Attention: Randy Dewey, Chief Executive Officer
E-mail: randy dewey@baylintech.com

with a copy of any such notice to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street
Suite 1800
Toronto, ON M5J 2T9

Attention: Richard Kimel
E-mail: rkimel@airdberlis.com

(2) in the case of the Underwriters, to:

Raymond James Ltd.
40 King Street West
Toronto, ON M5H 3Y2

Attention: Jimmy Leung
Email: jimmy.leung@raymondjames.ca

Paradigm Capital Inc.
95 Wellington Street West
Suite 2101
Toronto, ON M5J 2N7

Attention: Barry Richards
E-mail: brichards@paradigmcap.com

with a copy of any such notice to:

DLA Piper (Canada) LLP
1 First Canadian Place
Suite 6000
100 King Street West, PO Box367
Toronto, ON M5X 1E2

Attention: Derek Sigel
E-mail: derek.sigel@dlapiper.com

The Corporation and the Underwriters may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by telecopy and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by e-mail on the first Business Day following the day on which it is sent.

Section 19 Miscellaneous

(1) *Action of RJL*. Except with respect to Section 12, Section 16 and Section 17, all transactions and notices on behalf of the Underwriters hereunder or contemplated hereby may be carried out or given on behalf of the Underwriters by RJL and RJL shall in good faith discuss with the other Underwriters the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.

(2) *Successors and Assigns*. This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Corporation and their respective successors and legal representatives.

(3) *Governing Law*. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(4) *Time of the Essence*. Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.

(5) *Interpretation*. The words, “hereunder”, “hereof” and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Corporation of this offer by the Underwriters to purchase the Offered Shares.

(6) *Survival*. All representations, warranties, covenants and agreements of the Corporation and/or the Underwriters herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is two years following the Closing Date. Notwithstanding the preceding sentence, Section 12 shall survive the purchase and sale of the Offered Shares and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Shares or any investigation by or on behalf of the Underwriters with respect thereto without limitation indefinitely. The Underwriters and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Underwriters, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters or the Corporation may undertake or which may be undertaken on their behalf.

(7) *Severability*. If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement

shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

(8) *Electronic Copies*. Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

(9) *Counterparts*. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

(10) *Several and Joint*. In performing their respective obligations under this Agreement, the Underwriters shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.

(11) *No Fiduciary Duty.* The Corporation hereby acknowledges that (a) the proposed sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other, (b) the Underwriters are acting as principals and not as an agents or fiduciaries of the Corporation, and (c) the engagement of the Underwriters by the Corporation in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.

(12) *Market Stabilization Activities*. In connection with the distribution of the Offered Shares, the Underwriters (or any of them) may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

(13) *Entire Agreement*. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, other than the fiscal advisory agreement between the Corporation and RJL dated November 16, 2017. This Agreement may be amended or modified in any respect by written instrument only.

(14) *Further Assurances*. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

RAYMOND JAMES LTD.

By: *"Jimmy Leung"*
Jimmy Leung
Managing Director, Head of Technology Investment Banking

PARADIGM CAPITAL INC.

By: *"Barry Richards"*
Barry Richards
Managing Director, Investment Banking

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

BAYLIN TECHNOLOGIES INC.

By: *"Randy Dewey"*
Randy Dewey
President and Chief Executive Officer

SCHEDULE "A"
MATERIAL SUBSIDIARIES

Name	Jurisdiction of Incorporation	Shareholder	Share Ownership %
Galtronics Corporation Ltd.	Israel	Baylin Technologies Inc.	100%
Galtronics Korea Ltd.	South Korea	Galtronics Corporation Ltd.	100%
Galtronics Electronics (Wuxi) Co., Ltd.	China	Galtronics Corporation Ltd.	100%
Galtronics Vietnam Co., Ltd.	Vietnam	Galtronics Corporation Ltd.	100%
Galtronics Canada Ltd.	Ontario	Baylin Technologies Inc.	49%

SCHEDULE "B"
UNITED STATES OFFERS AND SALES

As used in this Schedule "B", the following terms have the following meanings:

"**affiliate**" means "**affiliate**" as that term is defined in Rule 405 under the U.S. Securities Act;

"**Directed Selling Efforts**" means directed selling efforts as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "B", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Securities and shall include, without limitation, the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Securities;

"**Foreign Issuer**" means "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Offshore Transactions**" means "offshore transactions" as that term is defined in Rule 902(h) of Regulation S;

"**QIB Certificate**" means the Qualified Institutional Buyer Letter in the form attached as Exhibit I to the U.S. QIB Private Placement Memorandum.

"**Securities**" means the Initial Shares and the Over-Allotment Shares;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"**Substituted Purchaser**" means an Accredited Investors designated by the Underwriters or the U.S. Affiliates to purchase Securities directly from the Corporation in the United States pursuant to Rule 506(b) of Regulation D as Substituted Purchasers; and

"**U.S. Subscription Agreement**" means the U.S. subscription agreement in the form attached as Exhibit I to the U.S. AI Private Placement Memorandum.

All other capitalized terms used but not otherwise defined in this Schedule "B" shall have the meanings assigned to them in the Agreement to which this Schedule "B" is attached.

1. Each Underwriter represents and warrants to the Corporation that:

   (a) it acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except by

the Underwriters through U.S. Affiliates pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Rule 506(b) of Regulation D. It has not offered or sold, and will not offer or sell, any of the Securities except (A) in accordance with the foregoing exemptions, or (B) in Offshore Transactions in compliance with Rule 903 of Regulation S. Accordingly, except in connection with offers and sales pursuant to Rule 144A or Rule 506(b) of Regulation D, or as permitted by Rule 903 of Regulation S, neither it nor its affiliates nor any persons acting on its or their behalf has made or will make (i) any offer to sell Securities to or solicitation of an offer to buy Securities from a person in the United States, or (ii) any sale of Securities unless at the time the purchaser's buy order was or will be originated the purchaser was outside the United States or it, and its affiliates or any persons acting on its or their behalf reasonably believed that the purchaser was outside the United States;

(b) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except with its U.S. Affiliates, any selling group members or with the prior written consent of the Corporation; and

(c) it shall require its U.S. Affiliates and each selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its reasonable best efforts to ensure that each U.S. Affiliate and selling group member complies with, the applicable provisions of this Schedule "B" as if such provisions applied to such U.S. Affiliate and selling group member.

2. Each Underwriter covenants to and agrees with the Corporation that:

(a) all offers and sales of the Securities in the United States have been and will be effected through one or more of the U.S. Affiliates in accordance with all applicable U.S. broker-dealer requirements;

(b) each U.S. Affiliate offering Securities to Qualified Institutional Buyers pursuant to Rule 144A is a Qualified Institutional Buyer, and each U.S. Affiliate is and on the date of each offer and sale of Securities in the United States was and will be duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements), and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.;

(c) it has not solicited, offered, or offered to sell, and will not solicit offers for, or offer to sell, either directly or through a U.S. Affiliate, the Securities in the United States by means of any form of General Solicitation or General Advertising and neither it nor its affiliate(s), nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Securities offered and sold pursuant to Rule 903 of Regulation S;

(d) it will solicit, and will cause each U.S. Affiliate to solicit, offers for the Securities in the United States only from, and will offer the Securities only to, and it and they have offered and solicited only from and to (i) Substituted Purchasers that are Accredited Investors with which it or its U.S. Affiliate has a pre-existing relationship in

accordance with Rule 506(b) of Regulation D, or (ii) persons it reasonably believes, and immediately prior to making any such offer, it had reasonable grounds to believe and did believe, to be Qualified Institutional Buyers;

(e) any sales of Securities made to Substituted Purchasers in the United States will be made directly by the Corporation to Accredited Investors purchasing as Substituted Purchasers, and the Underwriter and its U.S. Affiliate shall act in the capacity as placement agent for such sales;

(f) immediately prior to soliciting offerees in the United States and at the time of completion of each sale to a purchaser in the United States, it, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, was a Qualified Institutional Buyer purchasing Securities directly from the Underwriter through its U.S. Affiliate or a Substituted Purchaser that is an Accredited Investor purchasing Securities directly from the Corporation;

(g) it will inform, or cause each U. S. Affiliate to inform, all purchasers of the Securities in the United States that the Securities have not been and will not be registered under the U. S. Securities Act and are being sold to them without registration under the U.S. Securities Act in reliance upon either Rule 144A or Rule 506(b) of Regulation D, as applicable;

(h) it has delivered or will deliver, through a U.S. Affiliate, a copy of the U.S. Private Placement Memorandum to each person in the United States to which it has offered Securities. Prior to any sale by it of Securities in the United States, it will deliver, through a U.S. Affiliate, a copy of the U.S. Private Placement Memorandum to the purchaser of such Securities and no other written material has been or will be used in connection with offers or sales of the Securities in the United States;

(i) it shall cause each U.S. Affiliate to agree, for the benefit of the Corporation, to the same provisions as are contained in paragraphs 1, 2 and 3 of this Schedule “B”;

(j) at least one business day prior to each closing, it shall cause each U.S. Affiliate to provide the Corporation with a list of all purchasers of the Securities in the United States and (i) a duly completed and executed QIB Certificate from each purchaser purchasing as a Qualified Institutional Buyer pursuant to Rule 144A or (ii) a duly completed and executed U.S. Subscription Agreement from each purchaser purchasing as an Accredited Investor pursuant to Rule 506(b) of Regulation D;

(k) at each closing, it and its U.S. Affiliates will either (i) provide a certificate, substantially in the form of Annex 1 to this Schedule ‘B”, or (ii) be deemed to have represented and warranted to the Corporation as of the closing time that neither it nor they offered or sold any Securities in the United States;

(l) the Underwriters severally (and not jointly or jointly and severally) represent, warrant and agree that none of it, any of its U.S. Affiliates or any of their respective directors, executive officers, other officers participating in the Offering, general partners or managing members, or any of the directors, executive officers or other officers

participating in the Offering of any such general partner or managing member (each, an "**Underwriter Covered Person**" and, together, "**Underwriter Covered Persons**"), is subject to any Disqualification Event (as hereinafter defined), except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to the Corporation on or prior to execution hereof and, if contemplated by Rule 506(e), included in the U.S. Private Placement Memorandum. The Underwriters shall provide prompt written notice to the Corporation of any Disqualification Event relating to any Underwriter Covered Person, or any event that would, with the passage of time, become such a Disqualification Event prior to the Closing. The Underwriters severally (and not jointly or jointly and severally) represent and warrant that it is not aware of any person other than any Covered Person or Underwriter Covered Person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the Offering, and the Underwriters will notify the Corporation, prior to Closing, of any agreement entered into between the Underwriters and such person in connection with any sale of the Offered Shares; and

(m) none of it, any of its affiliates or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Securities.

3. It is understood and agreed by the Underwriters that the sale of the Securities in the United States will be made only by the Underwriters or their respective U.S. Affiliates, acting as agents, pursuant to (i) Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers, in compliance with any applicable state securities laws of the United States and such purchaser shall have made the representations, warranties and agreements set forth in the QIB Certificate or (ii) Rule 506(b) of Regulation D to Substituted Purchasers that are Accredited Investors with which it or its U.S. Affiliate has a pre-existing relationship.

4. The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:

(a) it is, and at each closing will be, a Foreign Issuer that reasonably believes that there is no Substantial U.S. Market Interest in its Common Shares;

(b) it is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Prospectus, will not be registered or required to register as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;

(c) at the Closing Date, the Securities will not be (A) part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (B) quoted in a U.S. automated inter-dealer system, or (C) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;

(d) for so long as any Securities which have been sold in the United States in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of

Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of, or exempt from reporting pursuant to Rule 12g3-2(b) under, the U.S. Exchange Act, the Corporation will furnish to any holder of the Securities in the United States and any prospective purchaser of the Securities designated by such holder in the United States, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U. S. Securities Act (so long as such requirement is necessary in order to permit holders of the Securities to effect resales under Rule 144A);

(e) none of the Corporation, its affiliates or any persons acting on its or their behalf (other than the Underwriters, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) (i) has offered or sold or will offer or sell the Securities except through the Underwriters and the U.S. Affiliates in compliance with this Schedule "B", or (ii) has taken or will take any action that would cause the exemptions or exclusions from registration provided by Rule 903 of Regulation S, Rule 144A or Rule 506(b) of Regulation D to be unavailable with respect to offers and sales of the Securities pursuant to this Schedule "B";

(f) the Corporation has not sold, offered for sale or solicited any offer to buy, and will not sell, offer for sale or solicit any offer to buy, any of its securities in the United States in a manner that would be integrated with the offer and sale of the Securities and would cause the exemptions from registration set forth in Rule 144A or Rule 506(b) or Regulation D to become unavailable with respect to offers and sales of the Securities contemplated hereby;

(g) none of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Underwriters, their respective affiliates, or any person acting on any of their behalf, in respect of which no representation is made) (i) has engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Securities in the United States; (ii) has made or will make any Directed Selling Efforts; or (iii) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Securities;

(h) none of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D; and

(i) none of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, or any other officer of the Corporation participating in the Offering, any beneficial owner (as that term is defined in Rule 13d-3 under the U.S. Securities Act) of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, and any promoter connected with the Corporation in any capacity (each, a "**Covered Person**" and, together, "**Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a "**Disqualification Event**"),

except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) that, if contemplated by Rule 506(e), is described in the U.S. Private Placement Memorandum; (ii) the Corporation is not aware of any person other than any Covered Person or any Underwriter Covered Person (as defined in above) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the offer or sale of Securities pursuant to Regulation D. The Corporation will notify the Underwriters in writing, prior to each Closing Date, of (i) any Disqualification Event relating to any Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Covered Person.

ANNEX 1 TO SCHEDULE "B"
UNDERWRITERS' CERTIFICATE

In connection with the private placement of Offered Shares (the "**Offered Shares**") of Baylin Technologies Inc. (the "**Corporation**") in the United States, the undersigned, being one of the several Underwriters referred to in the underwriting agreement dated as of November 20, 2017, among the Corporation and the Underwriters (the "**Underwriting Agreement**"), and the placement agent in the United States for such Underwriter (the "**U.S. Affiliate**"), do hereby certify that:

(a) the U. S. Affiliate is, and was on the date of each offer and sale of Offered Shares in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state in which such offer or sale was made (unless exempted from the respective state's broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., and all offers and sales of the Securities in the United States have been and will be effected by the U.S. Affiliate in accordance with all U.S. broker-dealer requirements;

(b) we acknowledge that the Securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may not be offered or sold within the United States except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(c) neither we nor our representatives have utilized, and neither we nor our representatives will utilize, any form of General Solicitation or General Advertising;

(d) each offeree was provided with the U.S. Private Placement Memorandum, and we have not used and will not use any written material other than the U.S. Private Placement Memorandum;

(e) immediately prior to transmitting any of the foregoing materials to offerees, we had reasonable grounds to believe and did believe that each offeree was an Accredited Investor or a Qualified Institutional Buyer, and on the date hereof, we continue to believe that each such offeree or purchaser purchasing Securities directly from the Corporation is an Accredited Investor and that each offeree that purchases Securities from us is a Qualified Institutional Buyer;

(f) we obtained and delivered to the Corporation, for acceptance at the Closing a duly executed U.S. Subscription Agreement from each Accredited Investor purchasing Securities pursuant to Rule 506(b) of Regulation D and a duly executed QIB Certificate from each Qualified Institution Buyer purchasing Securities pursuant to Rule 144A;

(g) none of the Underwriter Covered Persons is subject to any Disqualification Event; and

(h) the offering of the Offered Shares has been conducted by us in accordance with the Underwriting Agreement.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

Dated this ____ day of November, 2017.

[INSERT NAME OF UNDERWRITER]	**[INSERT NAME OF U.S. AFFILIATE]**
By: _____	By: _____
Name:	Name:
Title:	Title:

SCHEDULE "C"
EXISTING RIGHTS

Type of Security	Number Outstanding
Options	2,110,000
Deferred share units	291,611
Agent warrants	63,170

In addition:

- Pursuant to Jerry Kirshman's employment agreement dated January 17, 2017, Mr. Kirshman is entitled to a signing bonus of US$100,000 paid in Common Shares at C$1.98 per share. These shares have not been issued yet.

- Pursuant to Brent McMurray's employment agreement, Mr. McMurray is entitled to receive 30,000 Common Shares, which shares vest in July 2018.

- The Corporation intends to grant Jerry Kirshman options to purchase 65,000 Common Shares on March 30, 2018 at a price to be determined at the time of grant.

- The Corporation has approved the grant of 46,000 Common Shares to employees pursuant to the employee share compensation plan. The Common Shares have not yet been issued.