

eurocontrol

TECHNICS GROUP

365 Bay Street, Suite 400
Toronto, Ontario, Canada M5H 2V1
T: 416 361 2808 F: 416 361 2519 E: info@eurocontrol.ca

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management and the directors of EUROCONTROL TECHNICS GROUP INC. (the "Company") for use at the annual and special meeting of the shareholders of the Company (the "Meeting") to be held at the head office of the Company, 365 Bay Street, Suite 400, Toronto, Ontario at 10:00 a.m. (Toronto time), on Monday, June 26, 2017, and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "Notice of Meeting"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice of Meeting. The Company may pay brokers or other persons holding common shares of the Company ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of the solicitation will be borne directly by the Company.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

This Management Information Circular is being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Company or its agent has sent this Management Information Circular directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Non-Registered Shareholders

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Non-Registered Shareholder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Management Information Circular and its

form of proxy (collectively the "Meeting Materials") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TMX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Management Information Circular are directors and/or officers of the Company. A shareholder of the Company has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to TMX Trust Company in time for use at the Meeting in the manner specified in the Notice of Meeting.

A registered shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Company, 365 Bay Street, Suite 400, Toronto, Ontario, Canada M5H 2V1, at any time prior to 10:00 a.m. (Toronto time) on the second last business day preceding the day of the Meeting or any adjournment thereof, (ii) with TMX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, Canada M5H 4H1, at any time prior to 10:00 a.m. (Toronto time) on the second last business day preceding the day of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Company should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company. A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Company is authorized to issue an unlimited number of Common Shares. Each Common Share entitles the holder of record thereof to one vote per Common Share at all meetings of the shareholders of the Company. As at the close of business on May 15, 2017, there were 90,750,238 Common Shares outstanding.

Record Date

The directors of the Company have fixed May 15, 2017 as the record date for the determination of the shareholders of the Company entitled to receive notice of the Meeting. Shareholders of the Company of record at the close of business on May 15, 2017, will be entitled to vote at the Meeting and at all adjournments thereof.

Ownership of Securities of the Company

As at May 15, 2016, to the knowledge of the directors and officers of the Company, as at the date of this Management Information Circular, other than SICPA Finance S.A. which owns 11,779,000 common shares representing 12.98% of the issued and outstanding shares of the Company on the date of this Circular, no other person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

(1) Presentation of Financial Statements

At the Meeting, the Chairman of the Meeting will present to Shareholders the audited consolidated financial statements of the Company for the year ended December 31, 2016 and the auditor's report thereon.

(2) Election of Directors

The Board of Directors currently consists of five (5) directors. The table and the notes thereto state the names of all persons nominated by management for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof. Each director of the Company holds office until his successor is elected at the next meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed.

Name, Province or State and Country of Residence	Position with the Company	Director of the Company Since	Principal Occupation for Five Preceding Years	# of Common Shares Owned or Controlled ⁽¹⁾
W. Bruce Rowlands Ontario, Canada	Chairman, Chief Executive Officer	April 1, 2006	Chief Executive Officer of the Company since April 1, 2006 and Chairman and Chief Executive Officer of the Company since June 20, 2012.	2,895,000
Dennis Logan ⁽²⁾⁽³⁾ Ontario, Canada	Director	June 25, 2015	Former Chief Financing Officer, Almonty Industries Inc. from September 2011 to March 2017; former Managing Director, Investment Banking, Desjardins Securities Inc. from June 2007 to September 2011.	Nil
Christine Macqueen London, UK ⁽⁴⁾	Director Nominee	Nominee	Director, Corporate Affairs and Communications, SICPA, a privately owned Swiss company since 2011.	Nil
Kenneth Wawrew ⁽²⁾⁽³⁾ Ontario, Canada	Director	October 11, 2012	Director, SynergX Technologies Inc. since January 2004, former Chairman, President and CEO, SynergX from January 2004 to April 2012.	100,000
Paul Wood ⁽²⁾⁽³⁾ Ontario, Canada	Director	October 11, 2012	President, Kappa Advisors Ltd. since May 2004; and former Vice President, Corporate Finance, Boswell Capital Corp. from March 2011 to April 2012.	350,500
Notes:				
(1) The information as to Common Shares beneficially owned, not being within the knowledge of the Company, has been furnished by directors individually.				
(2) Member of the Audit Committee.				
(3) Member of the Compensation Committee.				
(4) Christine Macqueen is a nominee of SICPA, a company that owns 11,779,000 common shares representing 12.98% of the outstanding shares of the Company.				

As at the date of this management information circular, the directors and senior officers of the Company as a group, directly and indirectly, beneficially own or exercise control or direction over 5,040,000 Common Shares, representing approximately 5.6% of the issued and outstanding Common Shares.

None of the directors or executive officers:

- (a) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company that:
 - (i) was the subject of an order (as defined in Multilateral Instrument 51-102F5) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is at the date hereof, or has been within 10 years before the date of this Circular, a director or executive officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Majority Voting Policy

The Company has adopted a majority voting policy pursuant to which any nominee proposed for election as a director in an uncontested election who receives, from the shares voted at the meeting in person or by proxy, a greater number of shares "withheld" than shares voted "in favour" of their election, must promptly tender his or her resignation to the Chairman of the Board.

Following the Chairman's receipt of a resignation submitted pursuant to this policy, the Board of Directors shall consider whether or not to accept the resignation. In considering whether or not to accept the resignation, the Board of Directors will consider all factors including, without limitation, the number of votes cast at the meeting; the reasons, if known, why shareholders withheld votes from the election of that nominee; any alternatives for curing the underlying cause of the withheld votes; the length of service and the qualifications of the director whose resignation has been submitted, such director's past and expected future contributions to the Company and the Board of Directors; the overall composition of the Board of Directors, including relative mix of skills and experience; whether by accepting such resignation the Company would no longer be in compliance with any applicable law, rule, or regulation, or securities exchange listing or other governance requirements or policies; and whether or not accepting the resignation is in the best interest of the Company and its shareholders.

Within 90 days of the shareholders' meeting, the Board of Directors will make a final decision and announce its decision, including any reasons for not accepting a resignation, by way of press release. The director who has tendered his or her resignation will not participate in any deliberations on the resignation offer. If accepted, the resignation will take effect upon acceptance by the Board of Directors. In the event that any director who receives a greater number of proxy votes "withheld" than votes "in favour" of such director's election does not tender his/her resignation in accordance with this policy, he/she will not be re-nominated by the Board.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

(3) Appointment of Auditor

Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to appoint the firm of Zeifmans LLP, Chartered Accountants ("Zeifmans"), to serve as the auditor of the Company until the next annual meeting of Shareholders and to authorize the directors of the Company to fix the auditor's remuneration as such. Zeifmans was retained as auditor of the Company on September 9, 2014.

UNLESS THE SHAREHOLDER DIRECTS THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN CONNECTION WITH THE APPOINTMENT OF THE AUDITOR, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE RE-APPOINTMENT OF ZEIFMANS LLP, CHARTERED ACCOUNTANTS, TO SERVE AS AUDITOR OF THE COMPANY UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.

(4) Approval of Stock Option Plan

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees, consultants and other service providers of the Company and its subsidiaries in order to assist the Company in attracting, retaining and motivating such persons by providing them with the opportunity, through stock options ("Options"), to acquire an increased proprietary interest in the Company.

The Plan is a "rolling" stock option plan under TSX Venture Exchange – Corporate Finance Manual – *Policy 4.4 – Incentive Stock Options* (the "Exchange Policy") as under the Plan the Company is authorized to grant Options of up to 10% of its issued and outstanding Common Shares at the time of the Option grant, from time to time, with no vesting provision. As of May 25, 2017, Options to purchase an aggregate of 7,325,000 Common Shares are outstanding under the Plan leaving a balance of 1,750,024 Options available for issuance under the Plan.

Under the Plan, Options may be granted to employees, officers and certain consultants of the Company and designated affiliates. The Plan is designed to advance the interests of the Company by encouraging employees, officers and eligible consultants to have equity participation in the Company through the acquisition of Common Shares. In determining the terms of each grant of Options, consideration is given to the participant's present and potential contribution to the success of the Company.

The terms and conditions of each Option granted under the Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and Exchange guidelines. Consequently, the exercise price for any Option shall not be lower than the market price of the underlying Common Shares at the time of grant. Vesting terms will be determined at the discretion of the Board of Directors. The Board of Directors shall also determine the term of Options granted under the Plan, provided that no Option shall be outstanding for a period greater than five years.

The Plan provides for amendment procedures that specify the kind of amendments to the Plan that will require shareholder approval. The Board of Directors believes that except for certain material changes to the Plan it is important that the Board of Directors has the flexibility to make changes to the Plan without shareholder approval. Such amendments could include making appropriate adjustments to outstanding Options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of Options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Plan does not provide for the transformation of Options granted under the Plan into stock appreciation rights involving the issuance of securities from the treasury of the Company.

Directors, officers, employees and certain consultants shall be eligible to receive Options under the Plan. Upon the termination of an optionholder's engagement with the Company, the cancellation or early vesting of any Option shall be in the discretion of the Board of Directors. In general, the Company expects that Options will be cancelled 90 days following an optionholder's termination from the Company. Options granted under the Plan shall not be assignable.

The Company does not provide financial assistance to any optionholder to facilitate the exercise of Options under the Plan.

The Shareholders are being asked to approve and confirm the Plan. A copy of the Plan is attached hereto as Schedule A. In order to confirm and approve the Plan a majority of votes cast at the meeting must be voted in favour of the Plan. In the event that the Plan is approved by shareholders, the Company's current Plan will be discontinued and Options that have been granted will be transferred to the Plan.

Accordingly, Disinterested Shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT the Company's Plan as described in the Management Information Circular dated May 25, 2017, be and it is hereby adopted, confirmed and approved, including that the maximum number of Common Shares reserved for issuance under the Plan and all of the Company's other security based compensation arrangements at any given time is equal to ten percent (10%) of the issued and outstanding Common Shares as at the date of grant of an Option under the Plan."

In accordance with the policies of the TSXV, the Plan must be approved by a majority of the votes cast by Disinterested Shareholders at the Meeting on the resolution. The Board of Directors recommends that the Company's shareholders vote FOR the approval of the Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE PLAN UNLESS A DISINTERESTED SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.

(5) Approval of Restricted Share Unit Plan

Subject to receipt of the requisite approvals of the TSXV and the Shareholders, the Board intends to adopt an RSU Plan, a copy of which is attached hereto as Schedule "C". The purpose of the RSU Plan is to advance the interests of the Company and its subsidiaries by: (i) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability; (ii) allowing certain employees of the Company and its subsidiaries to participate in the long term success of the Company; and (iii) promoting a greater alignment of interests between the employees designated under the RSU Plan ("**RSUP Participants**") and the Shareholders.

The following is a summary of the principal terms of the RSU Plan that is qualified in its entirety by reference to the text of the RSU Plan, a copy of which is attached hereto as Schedule "C":

- The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 3,000,000 Common Shares (representing approximately 3% of the total issued and outstanding Common Shares as of the Record Date on an undiluted basis). The number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- RSUP Participants are designated by the directors or a committee of directors authorized to oversee the RSU Plan (the "**RSUP Committee**"), at the sole discretion and upon recommendation from the President and/or Chief Executive Officer. Restricted share units ("**RSUs**") are granted to RSUP Participants at the discretion of the RSUP Committee.
- The grant of RSUs under the RSU Plan is subject to a number of restrictions including but not limited to:
 - the aggregate number of Common Shares which may be reserved for issuance to "insiders" (as defined in the *Securities Act* (Ontario)) under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
 - during any one-year period, the Company shall not issue to "insiders" (as defined in the *Securities Act* (Ontario)), under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
 - the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Company under the RSU Plan, or when combined with all of the other

security based compensation arrangements of the Company and its subsidiaries, shall not exceed 1% of the Company's total issued and outstanding Common Shares; and

- the value of Common Shares associated with grants to any individual non-employee director of the Company under the RSU Plan (alone or when combined with grants under all of the other security based compensation arrangements of the Company and its subsidiaries) shall not exceed \$150,000 annually.
- Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the Record Date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the Record Date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.
- Vesting and settlement provisions under the RSU Plan are as follows:
 - Subject to the discretion of the RSUP Committee, RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date a RSU is awarded);
 - The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed by the Company and/or a subsidiary on the date specified in the RSU Award Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the RSU Award Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the RSUP Committee, all in accordance with the RSU Award Agreement;
 - Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest, irrespective of any performance vesting conditions; and
 - Following the vesting date, the RSUP Participant (or his or her succession), provided that he or she still qualifies as a RSUP Participant on such date, shall be entitled to elect to receive (subject to the RSUP Committee's discretion to settle by alternative form) a payout with respect to the vested RSUs in the form of (i) Common Shares issued from treasury; (ii) a lump sum payment in cash; or (iii) any combination of the foregoing.
- RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders or any other change affecting the Common Shares.
- If a RSUP Participant ceases to be an employee, a director or a consultant of the Company as a result of termination for cause, or as a result of a voluntary termination, all of the RSUP Participant's outstanding RSUs will be terminated.
- If a RSUP Participant ceases to be an employee, a director or a consultant of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability (as defined in the RSU Plan), the time vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant; and
 - In the event the RSUP Participant is entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the

number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.

- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the performance vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such *pro-rated* calculation will be multiplied by the performance percentage determined by the RSUP Committee; and
 - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.
- A voluntary resignation will be considered as retirement if the RSUP Participant has reached normal retirement age under the Company's benefit plans or policies, unless the RSUP Committee decides otherwise at its sole discretion.
- The RSUP Committee may from time to time amend, suspend or terminate the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- If the RSUP Committee terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.

The Disinterested Shareholders of the Company will be asked at the Meeting to authorize and approve the following resolution:

“BE IT RESOLVED THAT the RSU Plan of the Company as described in the Management Information Circular dated May 25, 2017 and attached as Schedule “C”, be and it is hereby approved.”

In accordance with the policies of the TSXV, the RSU Plan must be approved by the majority of votes cast by Disinterested Shareholders at the Meeting on the resolution. The Board of Directors recommends that the Company's shareholders vote FOR the approval of the RSU Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RSU PLAN UNLESS A DISINTERESTED SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.

(6) Approval of Amendments to the Articles of the Company

The Company is contemplating changing its name to more accurately reflect the activities of the Company. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, pass a special resolution as set forth below authorizing the Board of Directors, in its sole discretion, to change the name of the Company to a name that the Board of Directors, in its sole discretion, deems appropriate.

Notwithstanding approval of the transaction by Shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the name change without further approval or action by or prior notice to Shareholders. Any name change of the Company will be subject to the approval of the TSXV.

At the Meeting, shareholders will be asked to consider, and if deemed to be advisable approve, the following special resolution, which must be passed by two-thirds of the votes cast by the Shareholders in person or by proxy at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting:

“NOW THEREFORE BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. subject to the Company first receiving all required regulatory and TSXV approvals, the name of the Company be changed to a name as may be approved by the directors of the Company and applicable regulatory authorities;
2. the Board of Directors of the Company be and are authorized to file articles of amendment and all other requisite documents with all applicable regulatory authorities in order to give effect to the name change; and
3. notwithstanding the passage of this resolution by the shareholders of the Company, the Board of Directors of the Company may, without any further notice or approval of the shareholders of the Company, decide not to proceed with the name change or to otherwise give effect to this resolution at any time prior to the sale becoming effective and may revoke this resolution without further approval of the shareholders at any time prior to the completion of the transactions authorized by this resolution.”

The Board of Directors recommends that the Company’s shareholders vote FOR the amendment to the Articles.

UNLESS SPECIFICALLY INSTRUCTED IN THE INSTRUMENT OF PROXY TO VOTE AGAINST THE SPECIAL RESOLUTION APPROVING THE AMENDMENT TO THE ARTICLES, THE PERSON(S) NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE RESOLUTIONS.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Management Information Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The Company currently has the following three (3) NEOs: Bruce Rowlands, Chairman and CEO; Andres Tinajero, CFO, Doron Reinis, Chief Operating Officer (“COO”) of the Company and President of Xenemetrix

Ltd. (“Xenemetrix”), XwinSys Technology Development Ltd. (“XwinSys”) and Croptimal Ltd. (“Croptimal”), wholly-owned subsidiaries of the Company.

Director and Named Executive Officer Compensation

Director and named executive officer compensation, excluding compensation securities

The following table sets forth a summary of the compensation paid to the NEOs and the directors for the two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Stock option (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bruce Rowlands <i>Chairman/CEO</i>	2016	200,000	Nil	Nil	110,000	Nil	310,000
	2015	200,000	250,000	Nil	Nil	Nil	450,000
Andres Tinajero <i>CFO</i>	2016	100,000	Nil	Nil	40,000	Nil	140,000
	2015	100,000	50,000	Nil	Nil	Nil	150,000
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	2016	107,250	Nil	Nil	Nil	Nil	107,250
	2015	276,113	70,425	Nil	Nil	Nil	346,538
Doron Renis ⁽²⁾ <i>COO</i>	2016	401,519	Nil	Nil	57,000	Nil	458,519
	2015	372,195	Nil	Nil	Nil	Nil	372,195
Gilles Léraillé ⁽³⁾ <i>Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Dennis Logan <i>Director</i>	2016	Nil	Nil	18,000	14,000	Nil	32,000
	2015	Nil	Nil	15,000	Nil	Nil	15,000
Sir Michael Rose ⁽⁴⁾ <i>Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	15,660	Nil	Nil	Nil	Nil	15,660
Kenneth Wawrew <i>Director</i>	2016	Nil	Nil	24,000	40,000	Nil	64,000
	2015	Nil	Nil	15,000	Nil	Nil	15,000
Paul Wood <i>Director</i>	2016	Nil	Nil	20,500	37,000	Nil	57,500
	2015	Nil	Nil	20,000	Nil	Nil	20,000
Eli Zahavi ⁽⁵⁾ <i>Director</i>	2016	107,250	Nil	Nil	Nil	Nil	107,250
	2015	96,041	Nil	Nil	Nil	Nil	96,041

Notes:

(1) Gadi Gonen resigned as director and COO on January 4, 2016 on the closing of the Company’s sale of Global Fluids International (GFI) S.A. (“GFI”) to SICPA Finance S.A. (“SICPA”). Gadi Gonen’s compensation was paid in USD and the amount shown includes foreign exchange of \$75,445, being an exchange rate of 1.2783.

(2) Doron Reinis was appointed COO on January 4, 2016. The compensation included for Doron Reinis reflects the full payment to Business Process Systems Ltd. (see NEO Employment Agreements below), a company that is 50% owned by Doron Reinis. The compensation is paid in USD and the amounts include foreign exchange of \$98,623 and \$81,031, respectively being an exchange rate of 1.3256 for 2016 and 1.2783 for 2015.

(3) Gilles Léraillé was appointed as director on July 19, 2016. Gilles Léraillé is not standing for re-election.

(4) Sir Michael Rose resigned as director on January 4, 2016 on the closing of the Company’s sale of GFI to SICPA.

(5) Eli Zahavi resigned as director on January 4, 2016 on the closing of the Company’s sale of GFI to SICPA. Eli Zahavi’s compensation for consulting services as Chairman of GFI was paid in USD and the amount includes foreign exchange of \$20,909, being an exchange rate of 1.2783.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each NEO and director of the Company all compensation securities granted or issued to such NEO and director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Bruce Rowlands <i>Chairman/CEO</i>	Stock Option	975,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Andres Tinajero <i>CFO</i>	Stock Option	350,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Doron Renis <i>COO</i>	Stock Option	500,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Gilles Léraillé <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dennis Logan <i>Director</i>	Stock Option	125,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Sir Michael Rose ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenneth Wawrew <i>Director</i>	Stock Option	350,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Paul Wood <i>Director</i>	Stock Option	325,000	February 19, 2016	\$0.15	\$0.15	\$0.185	February 19, 2021
Eli Zahavi ⁽¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Note:							
(1) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors effective January 4, 2016.							

Exercise of Share-Based Awards and Option-Based Awards

The following table sets out for each NEO and director of the Company all compensation securities exercised in the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Bruce Rowlands <i>Chairman/CEO</i>	Stock Option	500,000	\$0.16	February 9, 2016	\$0.14	\$0.02	\$10,000
Andres Tinajero <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gadi Gonen ⁽¹⁾ <i>COO/Director</i>	Stock Option	301,500	\$0.10	March 23, 2016	\$0.185	\$0.085	\$25,628
	Stock Option	348,500	\$0.10	March 31, 2016	\$0.195	\$0.095	\$33,108
Doron Renis <i>COO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gilles Léraillé <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dennis Logan <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sir Michael Rose ⁽¹⁾ <i>Director</i>	Stock Option	150,000	\$0.10	March 8, 2016	\$0.195	\$0.095	\$14,250
	Stock Option	150,000	\$0.10	March 10, 2016	\$0.215	\$0.115	\$17,250
Kenneth Wawrew <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Wood <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eli Zahavi ⁽¹⁾ <i>Director</i>	Stock Option	300,000	\$0.10	March 31, 2016	\$0.195	\$0.095	\$28,500
Notes:							
(1) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors effective January 4, 2016.							

External Management Companies

W. Bruce Rowlands

Bruce Rowlands, the Company's Chairman and CEO, provides his services to the Company in accordance with the terms of an independent contractor agreement through his holding company W. B. Rowlands & Company Ltd. (the "W. B. Rowlands Agreement"). Under the terms of the agreement, a monthly retainer of \$16,666.67 per month (plus HST) is paid for the services of Bruce Rowlands. The W. B. Rowlands Agreement also includes a termination clause that provides for a termination buy-out equal to 12 months of the monthly retainer and for a lump sum payment in the event of a change of control equal to 36 months of the monthly retainer.

Andres Tinajero

Andres Tinajero, the Company's CFO, provides his services to the Company in accordance with the terms of an independent contractor agreement through his holding company 2222263 Ontario Ltd. (the "2222263 Ontario Agreement"). Under the terms of the Agreement, a monthly retainer of \$8,333 (plus HST) is paid by the Company for the services of Andres Tinajero. The 2222263 Ontario Agreement also includes a termination clause that provides for a termination payout equal to 12 months of the monthly retainer and a buy-out equal to the average of the prior two fiscal years total compensation in the event of a change of control.

Doron Reinis

Doron Reinis, the Company's COO, provides his services to the Company in accordance with the terms of an independent contractor agreement through Business Processes Logistic Services Ltd. (the "BPLS Agreement"), a company owned 50% by Doron Reinis. Under the terms of the Agreement, a monthly retainer of 80,000 Israeli New Sheqels is paid by the Company for the services of Doron Reinis. The BPLS Agreement also includes a termination clause that provides for a termination payout equal to 250,000 Israeli New Sheqels.

NEO Employment and Consulting Agreements

Other than outlined above under External Management Companies, the Company has no other arrangements that provide for payments to its NEOs.

Compensation Discussion and Analysis

Director and NEO Compensation

The Compensation Committee of the Company's Board of Directors is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

For the financial year ended December 31, 2016, the objectives of the Company's compensation philosophy was to ensure that compensation for its executive officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Company in achieving its goals.

Compensation for the executive officers is composed primarily of three components: base fees, performance bonuses and the granting of stock options. Performance bonuses are considered from time to time. The determination of each component is based upon formal meetings of the Compensation Committee. In establishing the levels of base fees, the award of stock options and performance bonuses, the Company looks to consider individual performance, responsibilities and length of service. The compensation determination process is not based on formal benchmarks.

The Compensation Committee recommends to the Board of Directors the base salary, performance bonus and stock options to be granted to the executive officers. The Board of Directors does not have a pre-determined compensation plan, but rather reviews the performance of the executive officers and considers a variety of factors, when determining compensation levels. These factors, which are informally discussed by the Board of Directors, include the long-term interests of the Company and its shareholders, the financial and operating performance of the Company and each executive officer's individual performance, contribution towards meeting corporate objectives, responsibilities and length of service. The Board of Directors believes that the

compensation paid to each executive officer during the last fiscal year was commensurate with the executive officer's position, experience and performance.

The compensation philosophy of the Company has allowed the Company to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee and the directors of the Company will continue to review compensation philosophy to ensure that the Company is competitive and that compensation is consistent with the performance of the Company.

The directors of the Company, in consultation with the Compensation Committee, determine the level of compensation in respect of the senior executive officers of the Company. Other than options to purchase Common Shares granted under the Plan, there were no long-term incentive awards made to the NEOs during the most recently completed financial year.

Pension Plan Benefits

There are no pension plan benefits in place for NEOs.

Gender Diversity in Executive Officer Positions

The Company has not adopted a formal policy which specifies targets regarding the representation of women in executive officer positions or on its Board of Directors. While the Company believes that diversity, including gender diversity, is an important consideration in determining the makeup of its executive team, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility), that are considered in selecting the best candidates for executive positions. At the present time, the Company has one woman on its executive team.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Company. In connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of change of control of the Company, its subsidiaries or affiliates. If a severance payment triggering event had occurred on December 31, 2016, the severance payments that would have been payable to each of the NEOs would be as shown in the adjacent table.

Name	Termination by the Company (\$)	Change of Control (\$)
Bruce Rowlands	200,000	600,000
Andres Tinajero	100,000	125,000
Doron Reinis	94,000	94,000
Total	394,000	794,000

Compensation of Directors

During the financial year ended December 31, 2016, the non-executive directors were paid director and committee meeting fees of \$1,500 for each meeting attended in person. During the financial year of the Company ended December 31, 2016, 800,000 stock options were granted to non-executive directors.

In addition, non-executive directors of the Company are entitled to receive compensation to the extent that they provide services (other than in their capacity as a director) to the Company at rates that would be charged by such directors for such services to arm's length parties.

Equity Compensation Plan Information

The following table sets forth aggregated information as at December 31, 2016 with respect to compensation plans of the Company under which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	7,025,000	\$0.13	2,053,023
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,025,000	\$0.13	2,053,023

Note:

(1) The Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As at May 25, 2017, 7,325,000 Common Shares may be reserved for issuance pursuant to the Plan.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There was no indebtedness of any director or officer of the Company or of any proposed nominee for election as a director of the Company to, or guaranteed or supported by, the Company or any subsidiary thereof either pursuant to an employee stock purchase program or any other programs of the Company or a subsidiary or otherwise during the financial year of the Company ended December 31, 2016.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or officer of the Company or any proposed nominee for election as a director of the Company or any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Company, nominees for director, who beneficially owns more than 10% of the outstanding shares of the Company, or any known associate or affiliate of such persons in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Company other than as disclosed elsewhere herein.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management of the Company consider good corporate governance to be central to the effective and efficient operation of the Company.

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

The Exchange also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Company is that contained in Form 58-101F2 – *Corporate Governance Disclosure* ("Form 58-101F2") and is set out on the following pages.

National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of

these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement the corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Form 58-101F2 – Corporate Governance Disclosure

Board of Directors

The Board of Directors is currently composed of four directors. Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 58-101 which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, one nominee, Bruce Rowlands, current Chairman and CEO is considered a non-independent director. Mr. Rowlands is a management director and accordingly is not "independent". Each of the remaining four proposed directors: Dennis Logan, Christine Macqueen, Kenneth Wawrew and Paul Wood are considered by the Board of Directors to be "independent", within the meaning of NI 58-101.

The Board of Directors has determined that the current constitution of the Board of Directors is appropriate for the Company's current stage of development. The Board of Directors has free access to the Company's external auditors, legal counsel and to any of the Company's officers.

Directorships

None of the directors of the Company hold directorships with other reporting issuers.

Participation of Directors in Board Meetings

In the year ended December 31, 2016, seven board meetings and five audit committee meetings were held. The adjacent table outlines attendance by each director.

Director	Attendance / Number of Board Meetings	Attendance / Number of Audit Committee Meetings	Attendance / Number of Compensation Committee Meetings
Gadi Gonen ⁽¹⁾	0/0	N/A	N/A
Gilles Léraillé ⁽²⁾	2/2	N/A	N/A
Dennis Logan	6/7	5/5	1/1
Sir Michael Rose ⁽¹⁾	0/0	N/A	N/A
Bruce Rowlands	7/7	N/A	N/A
Kenneth Wawrew	7/7	5/5	1/1
Paul Wood	7/7	5/5	1/1
Eli Zahavi ⁽¹⁾	0/0	N/A	N/A

Notes:

(1) Gadi Gonen, Sir Michael Rose and Eli Zahavi resigned as directors on January 4, 2016.

(2) Gilles Léraillé was appointed as director effective July 19, 2016. Gilles Léraillé is not standing for re-election.

Orientation and Continuing Education

The Board of Directors does not have a formal orientation or education program for its members. The Board of Directors' continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically, members of the Board of Directors have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board of Directors has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of directors it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its directors independent of corporate matters.

Nomination and Assessments

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board of Directors. Prior to standing for election, new nominees to the Board of Directors are reviewed by the entire Board of Directors.

Compensation

The Board of Directors decides the compensation for the Company's officers, based on industry standards and the Company's financial position. In fiscal 2016, non-executive directors of the Company are paid a meeting fee of \$1,500 for their services as directors of the Company, and from time to time, options to purchase Common Shares are granted to non-executive directors of the Company. During the financial year of the Company ended December 31, 2016, 800,000 stock options were granted to non-executive directors.

Other Board Committees

In addition to the Audit Committee, the Board of Directors has also organized a Compensation Committee. The Compensation Committee is currently comprised of three members, Dennis Logan, Kenneth Wawrew (Chair), and Paul Wood. The mandate of the Compensation Committee is to review and make recommendations to the Board of Directors in respect of the level of remuneration and other compensation to be paid to the executive officers of the Company. Each member of the Compensation Committee has extensive private sector experience both as part of senior management and as directors of public and private companies.

The directors in consultation with the Compensation Committee determine the level of compensation in respect of the senior executive officers of the Company. Other than options to purchase Common Shares granted under the Plan, there were no long-term incentive awards made to the NEOs during the most recently completed financial year.

Assessment of Directors, the Board and Board Committees

Currently the Board of Directors has not implemented a formal process for assessing the performance of the Board of Directors, its committees, or its individual directors. At present, the Board of Directors monitors the adequacy of information provided to directors, the communications between the Board of Directors and management and the strategic direction and processes of the Board of Directors and its Audit Committee, to satisfy itself that the Board of Directors, its Audit Committee and its individual directors are performing effectively.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in accordance with the Company’s annual meeting. The members of the Audit Committee are “independent” directors and all are financially literate for purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company’s Audit Committee is attached hereto as Schedule A.

Composition of the Audit Committee

The Company’s Audit Committee is comprised of three directors: Dennis Logan (Chair), Kenneth Wawrew and Paul Wood.

Relevant Education and Experience

Dennis Logan - Mr. Logan is a director of the Company and a Chartered Professional Accountant (CPA, CA). Mr. Logan received both his BA and his MBA from the University of Toronto and received his Chartered Accountant designation in 1996. Dennis Logan is a former director and former Chief Financing Officer for Almonty Industries Inc., a TSXV listed company, a company that he joined in 2011. Prior to 2011, Dennis Logan spent 13 years in the investment banking community where he held a number of senior management positions including Managing Director, Investment Banking at Desjardins Securities Inc. from 2007 to 2011 and Director, Investment Banking at Westwind Partners Inc. and Partner at Loewen Ondaatje McCutcheon Limited. Mr. Logan is an independent director of the Company for the purpose of MI 52-110.

Kenneth Wawrew - Mr. Wawrew is a director of the Company and has over 40 years of experience in high technology industries. Mr. Wawrew is a current director and the former President and CEO of SynergX Technologies Inc., a world leading company involved in glass inspection technologies. NOVACAP acquired control of SynergX in 2012. Prior to joining SynergX, Mr. Wawrew was CEO of Image Processing Systems Inc., a TSX listed company that was named one of the fast growing companies in Canada and was listed by Deloitte & Touche in their Fast 50 report for three consecutive years. Image Processing Systems was acquired by Photon Dynamics, a NASDAQ listed company and Mr. Wawrew joined Photon Dynamics as Corporate Vice President, Business Development and Director. Having held a number of senior executive and director positions, Mr. Wawrew has well rounded experience that includes public company finance, mergers and acquisitions, marketing and international sales providing him with the experience to be a valued member of the Company’s Audit Committee and Compensation Committee. Kenneth Wawrew graduated from the University of Waterloo in 1971 with a Bachelor of Mathematics and Computer Science degree. Mr. Wawrew is an independent director of the Company for the purposes of MI 52-110.

Paul Wood - Mr. Wood is a director of the Company and an independent businessman with 25 years experience. He is the President of Kappa Advisors Ltd, an independent investment and consulting services company in corporate development, commercialization, intellectual property licensing, special situations and restructuring. In his consulting capacity, he has supported clients around the world, including Asia and Africa, as well as on behalf of OMERS, a \$55+ billion pension fund. Prior to the formation of Kappa Advisors, Mr. Wood was Director of Corporate Development for Celestica Inc., a global electronics manufacturing services company, where he led M&A and restructuring teams. He has also worked in Corporate Development for Spar Aerospace and as Vice President for Ernst & Young Corporate Finance. Mr. Wood obtained his MBA in Finance from the University of Toronto and a BA in Economics, Philosophy and Politics from Dalhousie. Mr. Wood is an independent director of the Company for the purpose of MI N2-110.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed fiscal year, the Company’s Board of Directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2016 and December 31, 2015:

Year Ended	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
December 31, 2016 ⁽¹⁾	46,000	Nil	Nil	18,674
December 31, 2015	46,000	Nil	10,700	27,837

Note:
(1) For the period ended December 31, 2016, the number included for Audit Fees is the accrual amount based on Zeifmans LLP audit quote due to the Company not having received an invoice from the auditor at the time of printing.

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

Exemption

The Company is relying on the exemptions set out in subsection 6.1 of NI 52-110, which provide that a TSXV issuer is exempt from the audit committee composition and reporting obligation requirements set out in NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Further financial information is provided in the audited consolidated financial statements of the Company for the financial year ended December 31, 2016 and related management's discussion and analysis of results which accompany this Management Information Circular and have also been filed on SEDAR. Shareholders may also contact Charlotte May, the Corporate Secretary of the Company, by phone at (416) 364-3353 or by e-mail at cmay@eurocontrol.ca to request a copy of these documents.

The Company will provide any shareholder of the Company, without charge, upon request to the Corporate Secretary of the Company:

- (a) one copy of the comparative audited consolidated financial statements of the Company for the financial year ended December 31, 2016, together with the report of the auditor thereon;
- (b) one copy of the management's discussion and analysis for the financial year ended December 31, 2016; and
- (c) one copy of this Management Information Circular.

APPROVAL

The contents of this Management Information Circular and the sending thereof to the shareholders of the Company have been approved by the directors of the Company.

DATED at Toronto, Ontario this 25th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

“W. Bruce Rowlands”

W. Bruce Rowlands
Chairman and Chief Executive Officer

SCHEDULE A
AUDIT COMMITTEE CHARTER

GENERAL

1. Purpose and Responsibilities of the Committee

1.1 Purpose

The primary purpose of the Committee is to assist Board oversight of:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements;
- (c) the External Auditor's qualifications and independence; and
- (d) the performance of the Company's internal audit function and the External Auditor.

2. Definitions and Interpretation

2.1 Definitions

In this Charter:

- (a) "Board" means the board of directors of the Company;
- (b) "Chair" means the chair of the Committee;
- (c) "Committee" means the audit committee of the Board;
- (d) "Company" means Eurocontrol Technics Group Inc.;
- (e) "Director" means a member of the Board; and
- (f) "External Auditor" means the Company's independent auditor.

2.2 Interpretation

The provisions of this Charter are subject to the articles and by-laws of the Company and to the applicable provisions of the *Business Corporations Act* (Ontario), and any other applicable legislation.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. Establishment and Composition of the Committee

3.1 Establishment of the Audit Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so

made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Independence of Members

A majority of the members of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

3.5 Financial Literacy

- (a) *Financial Literacy Requirement.* Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee.
- (b) *Definition of Financial Literacy.* "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

4. **Committee Chair**

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee who are unrelated directors (or, if it fails to do so, the members of the Committee shall appoint the Chair from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **Committee Meetings**

5.1 Quorum

A quorum of the Committee shall be two members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least four times per year on a quarterly basis.

5.4 In Camera Meetings

On at least an annual basis, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.7 Invitees

The Committee may invite Directors, officers, employees and consultants of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor shall receive notice of each meeting of the Committee and shall be entitled to attend any such meeting at the Company's expense.

5.8 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. **Authority of Committee**

6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to engage independent counsel and any other advisors as the Committee may deem appropriate in its sole discretion and to set the compensation for any advisors employed by the audit committee. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

6.2 Funding

The Committee shall have the authority to authorize the payment of:

- (a) compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (National Instrument 52-110 – *Audit Committees* requires disclosure of fees by category paid to the External Auditor).
- (b) compensation for any advisors employed by the audit committee under Section 6.1 hereof; and

- (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.4 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

6.5 Compensation

The Committee has the authority to communicate directly with External Auditors and the internal auditors.

7. **Remuneration of Committee Members**

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

7.2 Directors' Fees

No member of the Committee may earn fees from the Company or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company.

SPECIFIC DUTIES AND RESPONSIBILITIES

8. **Integrity of Financial Statements**

8.1 Review and Approval of Financial Information

- (a) *Annual Financial Statements.* The Committee shall review and discuss with management and the External Auditor the Company's audited annual financial statements and related management's discussion and analysis ("MD&A") together with the report of the External Auditor thereon and, if appropriate, recommend to the Board that it approve the audited annual financial statements.
- (b) *Interim Financial Statements.* The Committee shall review and discuss with management and the External Auditor and, if appropriate, approve the Company's interim unaudited financial statements and related MD&A.
- (c) *Material Public Financial Disclosure.* The Committee shall discuss with management and the External Auditor:
 - (i) the types of information to be disclosed and the type of presentation to be made in connection with profit or loss or earnings press releases; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (d) *Procedures for Review.* The Committee shall be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived

from the Company's financial statements (other than financial statements, MD&A and profit or loss or earnings press releases, which are dealt with elsewhere in this Charter) and shall periodically assess the adequacy of those procedures.

- (e) *General.* To the extent the Committee deems it necessary or appropriate, the Committee may review and discuss with management and the External Auditor:
- (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
 - (ii) major issues as to the adequacy of the Company's internal controls over financial reporting and any special audit steps adopted in light of material control deficiencies;
 - (iii) analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements;
 - (iv) the effect on the financial statements of the Company of regulatory and accounting initiatives, as well as off-balance sheet transaction structures, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Company;
 - (v) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (vi) any financial information or financial statements in prospectuses and other offering documents;
 - (vii) the management certifications of the financial statements as required under applicable securities laws in Canada or otherwise; and
 - (viii) any other relevant reports or financial information submitted by the Company to any governmental body or the public.

9. **External Auditor**

9.1 External Auditor

- (a) *Authority with Respect to External Auditor.* As a representative of the Company's shareholders, the Committee shall be directly responsible for the appointment, compensation and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. In the discharge of this responsibility, the Committee shall:
- (i) have sole responsibility for recommending to the Board the person to be proposed to the Company's shareholders for appointment as External Auditor for the above-described purposes and recommending such External Auditor's compensation;
 - (ii) determine at any time whether the Board should recommend to the Company's shareholders that the incumbent External Auditor should be removed from office;
 - (iii) review the terms of the External Auditor's engagement, discuss the audit fees with the External Auditor and be solely responsible for approving such audit fees; and

- (iv) require the External Auditor to confirm in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) *Independence.* The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process the Committee shall:
 - (i) require the External Auditor to submit on a periodic basis to the Committee a formal written statement delineating all relationships between the External Auditor and the Company and engage in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and recommend that the Board take appropriate action in response to the External Auditor's report to satisfy itself of the External Auditor's independence;
 - (ii) unless the Committee adopts pre-approval policies and procedures, approve any non-audit services provided by the External Auditor, provided the Committee may delegate such approval authority to one or more of its independent members who shall report promptly to the Committee concerning their exercise of such delegated authority; and
 - (iii) review and approve the policy setting out the restrictions on the Company partners, employees and former partners and employees of the Company's current or former External Auditor.
- (c) *Issues Between External Auditor and Management.* The Committee shall:
 - (i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or access to requested information; and
 - (ii) review any significant disagreements with management and, to the extent possible, resolve any disagreements between management and the External Auditor.
- (d) *Non-Audit Services.*
 - (i) The Committee shall either:
 - (A) approve any non-audit services provided by the External Auditor or the external auditor of any subsidiary of the Company to the Company (including its subsidiaries); or
 - (B) adopt specific policies and procedures for the engagement of non-audit services, provided that such pre-approval policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.
 - (ii) The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the requirement in the previous section, provided that such member or members must present any non-audit services so approved to the full Committee at its first scheduled meeting following such pre-approval.
 - (iii) The Committee shall instruct management to promptly bring to its attention any services performed by the External Auditor which were not recognized by the Company at the time of the engagement as being non-audit services.

10. **Other**

10.1 Related Party Transactions

The Committee shall review and approve all related party transactions in which the Company is involved or which the Company proposes to enter into.

10.2 Expense Accounts

The Committee shall review and make recommendations with respect to:

- (a) the expense account summaries submitted by the President and Chief Executive Officer on an annual basis;
- (b) the Company's expense account policy, and rules relating to the standardization of the reporting on expense accounts

10.3 Whistle Blowing

The Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

11. **Performance Evaluation**

On a regular basis, the Committee shall follow the process established by the Board for assessing the performance and effectiveness of the Committee.

12. **Charter Review**

The Committee shall review and assess the adequacy of this Charter on a regular basis and recommend to the Board any changes it deems appropriate.

Approved and adopted by the Board of Directors on November 16, 2012.

SCHEDULE B

2017 STOCK OPTION PLAN

1. STATEMENT OF PURPOSE

- 1.1 **Principal Purposes** – The principal purposes of the Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors and consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new employees, officers, directors and consultants to the Company.
- 1.2 **Benefit to Shareholders** – The Plan is expected to benefit shareholders by enabling the Company to attract and retain skilled and motivated personnel by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

2. INTERPRETATION

- 2.1 **Defined Terms** – For the purposes of this Plan, the following terms shall have the following meanings:
- (a) **“Act”** means the *Securities Act* (Ontario), as amended from time to time;
 - (b) **“Affiliate”** shall have the meaning ascribed to such term in the Act;
 - (c) **“Associate”** shall have the meaning ascribed to such term in the Act;
 - (d) **“Board”** means the Board of Directors of the Company;
 - (e) **“Change in Control”** means:
 - (i) a takeover bid (as defined in the Act), which is successful in acquiring Shares,
 - (ii) the change of control of the Board resulting from the election by the members of the Company of less than a majority of the persons nominated for election by management of the Company,
 - (iii) the sale of all or substantially all the assets of the Company,
 - (iv) the sale, exchange or other disposition of a majority of the outstanding Shares in a single transaction or series of related transactions,
 - (v) the dissolution of the Company’s business or the liquidation of its assets,
 - (vi) a merger, amalgamation or arrangement of the Company in a transaction or series of transactions in which the Company’s shareholders receive less than 51% of the outstanding shares of the new or continuing corporation, or
 - (vii) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares;
 - (f) **“Committee”** means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;
 - (g) **“Company”** means Eurocontrol Technics Group Inc., a company incorporated by continuance under the laws of Ontario;
 - (h) **“Consultant”** means an individual, other than an Employee, senior officer or director of the Company or a Related Company, or a Consultant Company, who; is engaged to provide on an ongoing bona fide basis, consulting, technical, management or

other services to the Company or a Related Company, other than services provided in relation to a distribution or, unless the Company is a “senior listed issuer”, services that are Investor Relations Activities,

- (i) provides the services under a written contract between the Company or a Related Company and the individual or Consultant Company,
 - (ii) in the reasonable opinion of the Company spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Related Company, and
 - (iii) has a relationship with the Company or a Related Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **“Consultant Company”** means, for an individual Consultant, a company of which the individual is an employee or shareholder, or a partnership of which the individual is an employee or partner;
- (j) **“Date of Grant”** means the date specified in the Option Agreement as the date on which the Option is effectively granted;
- (k) **“Disability”** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (i) being employed or engaged by the Company, a Related Company or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or a Related Company; or
 - (ii) acting as a director or officer of the Company or a Related Company;
- (l) **“Disinterested Shareholder Approval”** means an ordinary resolution approved by a majority of the votes cast by members of the Company at a shareholders’ meeting, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted and Associates of those persons;
- (m) **“Effective Date”** means the effective date of this Plan, which is the later of the day of its approval by the shareholders of the Company and the day of its acceptance for filing by the Exchange if such acceptance for filing is required under the rules or policies of the Exchange;
- (n) **“Eligible Person”** means:
- (i) an Employee, senior officer or director of the Company or any Related Company,
 - (ii) a Consultant,
 - (iii) an issuer, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i) above,
 - (iv) a Management Company Employee if at the Date of Grant the Company is a “reporting issuer” as defined in the Act;
- (o) **“Employee”** means:
- (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
 - (ii) an individual who works full-time for the Company or a Related Company providing services normally provided by an employee and who is subject to the same control

and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source,

- (iii) an individual who works for the Company or a Related Company, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source;
- (p) **“Exchange”** means the TSX Venture Exchange on which the Shares are listed;
- (q) **“Exchange Act”** means the United States *Securities Exchange Act* of 1934, as amended;
- (r) **“Fair Market Value”** means, where the Shares are listed for trading on an Exchange, the last closing price of the Shares before the Date of Grant on the Exchange which is the principal trading market for the Shares, as may be determined for such purpose by the Committee, provided that, so long as the Shares are listed only on the TSXV, the “Fair Market Value” shall not be lower than the last closing price of the Shares before the Date of Grant less the maximum discount permitted under the policies of the TSXV;
- (s) **“Guardian”** means the guardian, if any, appointed for an Optionee;
- (t) **“Insider”** shall have the meaning ascribed to such term in the Act;
- (u) **“Investor Relations Activities”** means any activities or oral or written communications, by or on behalf of the Company or a shareholder of the Company that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company (A) to promote the sale of products or services of the Company, or (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company,
 - (ii) activities or communications necessary to comply with the requirements of (A) applicable securities laws, (B) the rules and policies of the TSXV, if the Shares are listed only on the TSXV, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company,
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if (A) the communication is only through the newspaper, magazine or publication and (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or
 - (iv) activities or communications that may be otherwise specified by the TSXV, if the Shares are listed only on the TSXV;
- (v) **“Management Company Employee”** means an individual employed by a Person providing management services to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company but excluding a Person engaged in Investor Relations Activities;
- (w) **“Option”** means an option to purchase unissued Shares granted pursuant to the terms of this Plan;
- (x) **“Option Agreement”** means a written agreement between the Company and an Optionee specifying the terms of the Option being granted to the Optionee under the Plan;

- (y) **“Option Price”** means the exercise price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Sections 6.3 and 10;
- (z) **“Optionee”** means an Eligible Person to whom an Option has been granted;
- (aa) **“Person”** means a natural person, company, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;
- (bb) **“Plan”** means this 2017 Stock Option Plan of the Company;
- (cc) **“Qualified Successor”** means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death;
- (dd) **“Related Company”** shall mean a company which is an Affiliate of the Company;
- (ee) **“Shares”** means the common shares in the capital of the Company as constituted on the Date of Grant, adjusted from time to time in accordance with the provisions of Section 10;
- (ff) **“Term”** means the period of time during which an Option may be exercised; and
- (gg) **“TSXV”** means the TSX Venture Exchange.

3. ADMINISTRATION

- 3.1 **Board or Committee** – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2.
- 3.2 **Appointment of Committee** – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, the Board shall administer the Plan.
- 3.3 **Quorum and Voting** – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is to be taken with respect to the granting of an Option to him).
- 3.4 **Powers of Board and Committee** – The Board shall from time to time authorize and approve the grant by the Company of Options under this Plan, and any Committee appointed under Section 3.2 shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board;
 - (a) administration of the Plan in accordance with its terms,
 - (b) determination of all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the value of the Shares,
 - (c) correction of any defect, supply of any information or reconciliation of any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan,

- (d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;
- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan,
- (f) with respect to the granting of Options:
 - (i) determination of the employees, officers, directors or consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan,
 - (ii) determination of the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement) and which shall not be inconsistent with the terms of this Plan,
 - (iii) amendment of the terms and provisions of an Option Agreement, provided the Board obtains: (A) the consent of the Optionee, and (B) if required, the approval of any stock exchange on which the Shares are listed,
 - (iv) determination of when Options will be granted,
 - (v) determination of the number of Shares subject to each Option,
 - (vi) determination of the vesting schedule, if any, for the exercise of each Option, and
- (g) other determinations necessary or advisable for administration of the Plan.

3.5 **Obtain Approvals** – The Board will seek to obtain any regulatory, Exchange or shareholder approvals which may be required pursuant to applicable securities laws or Exchange rules.

3.6 **Administration by Committee** – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the Exchange policies and rules.

4. ELIGIBILITY

4.1 **Eligibility for Options** – Options may be granted to any Eligible Person.

4.2 **Insider Eligibility for Options** – Notwithstanding Section 4.1, if the Shares are listed only on the TSXV, grants of Options to Insiders shall be subject to the policies of the TSXV.

4.3 **No Violation of Securities Laws** – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

5. SHARES SUBJECT TO THE PLAN

5.1 **Number of Shares** – The maximum number of Shares issuable from time to time under the Plan and all of the Company's other security based compensation arrangements at any given time is equal to ten percent (10%) of the issued and outstanding Shares as at the Date of Grant of an Option. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10.

5.2 **Expiry of Option** – If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

5.3 **Reservation of Shares** – The Company will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. **OPTION TERMS**

6.1 **Option Agreement** – Each Option granted to an Optionee shall be confirmed by the execution and delivery of an Option Agreement and the Board shall specify the following terms in each such Option Agreement:

- (a) the number of Shares subject to option pursuant to such Option, subject to the following limitations if the Shares are listed only on the TSXV:
 - (i) the number of Shares reserved for issuance pursuant to Options to any one Optionee shall not exceed 5% of the issued Shares in any 12-month period (unless the Company is designated as a “Tier 1” listed company by the TSXV and has obtained Disinterested Shareholder Approval to exceed this number),
 - (ii) the number of Shares reserved for issuance pursuant to Options to any one Consultant shall not exceed 2% of the issued Shares in any 12-month period, and
 - (iii) the aggregate number of Shares reserved for issuance pursuant to Options to Employees and Management Company Employees conducting Investor Relations Activities shall not exceed 2% of the issued Shares in any 12-month period;
- (b) the Date of Grant;
- (c) the Term, provided that, if the Shares are listed only on the TSXV, the length of the Term shall in no event be greater than five years following the Date of Grant, except, if the Company is designated as “Tier 1” listed company by the TSXV, then the Term shall be no greater than ten years following the Date of Grant, for all Optionees;
- (d) the Option Price, provided that the Option Price shall not be less than the Fair Market Value of the Shares on the Date of Grant;
- (e) subject to Section 6.2 below, any vesting schedule upon which the exercise of an Option is contingent;
- (f) if the Optionee is an Employee, Consultant or Management Company Employee, a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or a Related Company; and
- (g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan.

6.2 **Vesting Schedule** – The Board, as applicable, shall have complete discretion to set the terms of any vesting schedule of each Option granted, including, without limitation, discretion to:

- (a) permit partial vesting in stated percentage amounts based on the Term of such Option; and
- (b) permit full vesting after a stated period of time has passed from the Date of Grant.

6.3 **Amendments to Options** – Amendments to the terms of previously granted Options are subject to regulatory approval, if required. If required by the Exchange, Disinterested Shareholder Approval shall be required for any reduction in the Option Price of a previously granted Option if the Optionee is an Insider of the Company at the time of the proposed reduction in the Option Price.

6.4 **Uniformity** – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

- 7.1 **Method of Exercise** – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof, specifying the number of Shares in respect of which the Option is exercised, to the Company at its principal place of business at any time after the Date of Grant until 4:00 p.m. (Toronto time) on the last day of the Term, such notice to be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised and an indication as to suitable arrangements made with the Company, in accordance with Section 15.7, for the receipt by the Company of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the "**Withholding Obligations**"). Such payment shall be in lawful money (Canadian funds) by cash, cheque, bank draft or wire transfer. Payment by cheque made payable to the Company in the amount of the aggregate Option Price shall constitute payment of such Option Price unless the cheque is not honoured upon presentation, in which case the Option shall not have been validly exercised.
- 7.2 **Issuance of Certificates** – Not later than the third business day after exercise of an Option in accordance with Section 7.1, the Company shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.
- 7.3 **Compliance with U.S. Securities Laws** – As a condition to the exercise of an Option, the Board may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board, a stop-transfer order against such Shares may be placed on the stock books and records of the Company and a legend, indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board may also require such other documentation as may from time to time be necessary to comply with United States' federal and state securities laws. The Company has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

8. TRANSFERABILITY OF OPTIONS

- 8.1 **Non-Transferable/Legending** – Except as permitted by applicable securities laws and the policies of the Exchange, and as provided otherwise in this Section 8, Options are nonassignable and non-transferable. If the Shares are listed only on the TSXV, then, in addition to any resale restrictions under applicable securities laws, if the Company is, at the Date of Grant of an Option, designated as a "Tier 2" listed company by the TSXV or, if the Company is not so designated but the Option Price is based on a discount from the last closing price of the Shares on the TSXV, the Option Agreement and the certificates representing the Shares issued on the exercise of such Option shall bear the TSXV legend with a four-month hold period commencing on the Date of Grant.
- 8.2 **Death of Optionee** – Subject to Section 8.3, if the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Company or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Company or any Related Company, terminates as a result of such Optionee's death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee and shall be exercisable by such Qualified Successor until the earlier of a period of not more than one year following the date of such death and the expiry of the Term of the Option.
- 8.3 **Disability of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Company or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Company or any Related Company, is terminated by reason of such Optionee's Disability, any Options held by such Optionee that could have been exercised immediately prior to such termination of employment or service shall be exercisable by such Optionee, or by his Guardian,

for a period of 30 days following the termination of employment or service of such Optionee. If such Optionee dies within that 30-day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of 30 days following the death of such Optionee and the expiry of the Term of the Option.

8.4 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Company or any Related Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the ninety-first day of such leave.

9. TERMINATION OF OPTIONS

9.1 **Termination of Options** – To the extent not earlier exercised or terminated in accordance with Section 8, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Company or any Related Company, or a Management Company Employee, is terminated for cause, the date of such termination for cause;
- (c) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of the Company or any Related Company, or a Management Company Employee terminates for a reason other than the Optionee's Disability or death or for cause, not more than 90 days after such date of termination or, if the Shares are listed only on the TSXV and if the Company is designated as a "Tier 2" listed company by the TSXV, then in the case of a person employed to provide Investor Relations Activities, not more than 30 days after such person ceases to be employed to provide Investor Relations Activities; provided that if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination or cessation for the purpose of this Subsection 9.1(c); and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1.

9.2 **Lapsed Options** – If Options are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options. If an Option has been surrendered in connection with the regranting of a new Option to the same Optionee on different terms than the original Option granted to such Optionee, then, if required, the new Option is subject to approval of the Exchange.

9.3 **Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement** – If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any Related Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not vested at that time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

10. ADJUSTMENTS TO OPTIONS

10.1 **Alteration in Capital Structure** – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option

and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the Exchange, and such adjustment shall be effective and binding for all purposes of the Plan.

- 10.2 **Effect of Amalgamation, Merger or Arrangement** – If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised the Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.
- 10.3 **Acceleration on Change in Control** – Upon a Change in Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject.
- 10.4 **Acceleration of Date of Exercise** – Subject to the approval of the Exchange, if required, the Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested.
- 10.5 **Determinations to be Binding** – If any questions arise at any time with respect to the Option Price or exercise price or number of Option Shares or other property deliverable upon exercise of an Option following an event referred to in this Section 10, such questions shall be conclusively determined by the Board, whose decisions shall be final and binding.
- 10.6 **Effect of a Take-Over** – If a *bona fide* offer (the “Offer”) for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of section 92 of the Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject, by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “Optioned Shares”) to the Offer. If:
- (a) the Offer is not completed within the time specified therein; or
 - (b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund to the Optionee any Option Price paid for such Optioned Shares.

11. APPROVAL, TERMINATION AND AMENDMENT OF PLAN

- 11.1 **Shareholder Approval** – This Plan, if the Shares are listed only on the TSXV, is subject to Disinterested Shareholder Approval on a yearly basis at the Company’s next ensuing annual general meeting.
- 11.2 **Power of Board to Terminate or Amend Plan** – Subject to the approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan at any time or amend or revise the terms of the Plan; provided, however, that, except as provided in Section 10, the Board may not do any of the following without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval by the Company’s shareholders at a meeting duly held in accordance with the applicable corporate laws:
- (a) increase the maximum number of Shares which may be issued under the Plan;
 - (b) materially modify the requirements as to eligibility for participation in the Plan; or

(c) materially increase the benefits accruing to participants under the Plan;

however, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result of changes in the policies of the Exchange relating to director, officer and employee stock options, without obtaining the approval of the Company's shareholders.

11.3 **No Grant During Suspension of Plan** – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 **Compliance with Laws** – Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable United States' state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations thereunder and the requirements of any Exchange or automated interdealer quotation system of a registered national securities association upon which such Shares may then be listed or quoted, and such issuance shall be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares other than with respect to a refund of any Option Price paid.

13. USE OF PROCEEDS

13.1 **Use of Proceeds** – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Company and shall be used for general corporate purposes, or as the Board otherwise determines.

14. NOTICES

14.1 **Notices** – All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either delivered personally to the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such personal delivery; telecopied, in which case notice shall be deemed to have been duly given on the date the telecopy is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

15. MISCELLANEOUS PROVISIONS

15.1 **No Obligations to Exercise** – Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 **No Obligation to Retain Optionee** – Nothing contained in this Plan shall obligate the Company or any Related Company to retain an Optionee as an employee, officer, director or consultant for any period, nor shall this Plan interfere in any way with the right of the Company or any Related Company to reduce such Optionee's compensation.

15.3 **Binding Agreement** – The provisions of this Plan and of each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.

15.4 **Use of Terms** – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

- 15.5 **Headings** – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.
- 15.6 **No Representation or Warranty** – The Company makes no representation or warranty as to the future value of any Shares issued in accordance with the provisions of this Plan.
- 15.7 **Income Taxes** – Upon the exercise of an Option by an Optionee, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the amount of the Withholding Obligations (the "**Withholding Amount**") may be accomplished by any of the following methods or by a combination of such methods as determined by the Company in its sole discretion:
- (a) the tendering by the Optionee of cash payment to the Company in an amount less than or equal to the Withholding Amount; or
 - (b) the withholding by the Company from the Shares otherwise due to the Optionee such number of Shares as it determines are required to be sold by the Company,
 - (c) as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the Option Agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Company an irrevocable power of attorney to effect the sale of such Shares and to have acknowledged and agreed that the Company does not accept responsibility for the price obtained on the sale of such Shares; or
 - (d) the withholding by the Company from any cash payment otherwise due by the Company to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Shares so withheld is sufficient to satisfy the Withholding Amount. The provisions of the Option Agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Option Plan and an acknowledgement that neither the Board nor the Company shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Option Plan and none of the Board, the Company, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.
- 15.8 **Compliance with Applicable Law** – If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange or over the counter market having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE C

RESTRICTED SHARE UNIT PLAN

Section 1 Purpose of the RSU Plan

The purpose of this RSU Plan is to advance the interests of the Company and its Subsidiaries by: (i) assisting the Company and its Subsidiaries in attracting and retaining executive officers and key employees with experience and ability; (ii) allowing certain executive officers, key employees and Consultants of the Company and its Subsidiaries to participate in the long-term success of the Company; and (iii) promoting a greater alignment of interests between the executive officers and key employees designated under this RSU Plan and the Shareholders.

Section 2 Definitions; Construction and Interpretation

2.1 Definitions

For purposes of this RSU Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the words and terms contained in this Section 2.1 with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) **"Benefits Extension Period"** means any additional period of time allocated to a terminated Participant, as the case may be, during which certain benefits of employment are contractually maintained.
- (b) **"Board"** means the board of directors of the Company.
- (c) **"Change of Control"** means the occurrence of any one or more of the following events: (i) the Company is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company); (ii) the Company sells all or substantially all of its assets to any other Person (other than a wholly-owned subsidiary of the Company); (iii) the Company is to be dissolved and liquidated; (iv) any Person or group of Persons, acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 30% of the Company's outstanding voting securities; or (v) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the Persons who were directors of the Company before such election or transaction shall cease to constitute a majority of the Board.
- (d) **"Committee"** means the Directors or, if the Directors so determine in accordance with Section 3.1, the committee of the Directors authorized to oversee this RSU Plan which includes any compensation committee of the Board.
- (e) **"Common Share"** means a common share in the capital of the Company as presently constituted, as adjusted in accordance with Section 9.
- (f) **"Consultant"** means a Person that (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, (ii) provides the services under a written contract between the Company or the affiliate such the Person, (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and (iv) has a relationship with the Company or an affiliate of the Company that enables such Person to be knowledgeable about the business and affairs of the Company.
- (g) **"Company"** means Eurocontrol Technics Group Inc., a corporation existing under the *Business Corporations Act* (Ontario), or a successor thereto.
- (h) **"Directors"** means the members of the Board from time to time.
- (i) **"Grant Date"** means the effective date that a RSU is awarded to a Participant under this RSU Plan, as evidenced by a "RSU Award Agreement".

- (j) **"Insider"** means an "insider" as defined in the TSXV Corporate Finance Manual, as amended from time to time.
- (k) **"Long-Term Disability"** means a total permanent disability for a continuous period of more than four (4) months.
- (l) **"Market Value"** means, on any date, the volume weighted average price of the Common Shares traded on the TSXV for the five (5) consecutive trading days prior to such date or, if the Common Shares are not then listed on the TSXV, on such other stock exchange as determined for that purpose by the Committee in its discretion.
- (m) **"NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*.
- (n) **"Participant"** means a Consultant or employee of the Company and/or a Subsidiary who has been granted RSUs under this RSU Plan which have not all been cancelled or redeemed.
- (o) **"Participation Agreement"** means the participation agreement to be delivered by each Participant, in the form attached to this RSU Plan as Schedule "A".
- (p) **"Retirement"** means, in respect of any Participant, such Participant attaining the Retirement Age.
- (q) **"Retirement Age"** means 65 years of age, or as otherwise stipulated from time to time in the Company's retirement policy (as such policy may be established or revised from time to time at the discretion of Company and subject to applicable laws), or as otherwise determined by the Committee.
- (r) **"RSU Plan"** means this Restricted Share Unit Plan of the Company as set out herein, as it may be amended and varied from time to time.
- (s) **"RSU"** means a notional unit credited to a Participant's account in accordance with the terms and conditions of this RSU Plan.
- (t) **"RSU Account"** means the account maintained by the Company for each Participant participating in this RSU Plan to be credited with notional grants of RSUs from time to time.
- (u) **"RSU Award Agreement"** means an award agreement evidencing an award of RSUs, in the form attached to this RSU Plan as **Error! Reference source not found.**
- (v) **"Security Based Compensation Arrangements"** means the RSU Plan and the Company's stock option plan in effect from time to time.
- (w) **"Settlement Date"** means the day on which the Company pays to a Participant the Market Value of the RSUs that have become vested and payable.
- (x) **"Person"** shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or rules of a stock exchange, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.
- (y) **"Subsidiaries"** means the subsidiaries of the Company from time to time, and **"Subsidiary"** means any one of them.
- (z) **"TSXV"** means the TSX Venture Exchange.

2.2 Construction and Interpretation

- (a) *Headings.* The headings of all Articles, Sections and Paragraphs in this RSU Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this RSU Plan. References to "Article", "Section" or "Paragraph" in this RSU Plan refer to an Article, Section or Paragraph in this RSU Plan unless expressly stated otherwise.

- (b) *Context and Construction.* Whenever the singular or masculine are used in this RSU Plan, the same shall be construed as being the plural or feminine or neuter or *vice versa* where the context so requires.
- (c) *References to this RSU Plan.* The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this RSU Plan as a whole and not to any particular Article, Section, Paragraph or other part hereof. In this RSU Plan, "including" and "includes" means including or includes, as the case may be, without limitation.
- (d) *Discretion.* Whenever the Committee has discretion to administer this RSU Plan, the term "discretion" means the sole and absolute discretion of the Committee.
- (e) *Unenforceability.* If any Article, Section, Paragraph or provision of this RSU Plan is determined to be void or unenforceable (in whole or in part), then such determination shall not affect the validity or enforceability of any other Article, Section, Paragraph or provision of this RSU Plan.
- (f) *Canadian Funds.* Unless otherwise specifically provided, all references to dollar amounts in this RSU Plan are references to lawful money of Canada.

Section 3 Administration of this RSU Plan

3.1 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by a resolution of the Board, be exercised by a committee of the Board comprised of not less than three (3) Directors, including any compensation committee of the Board.

3.2 Administration of this RSU Plan

- (a) This RSU Plan shall be administered by the Committee, provided, however, that the Committee shall be entitled to delegate administrative duties relating to this RSU Plan to a third-party administrator as may from time to time be appointed by the Committee.
- (b) The Committee shall have full authority to administer this RSU Plan, including the authority to interpret and construe any provision of this RSU Plan and to adopt, amend and rescind such rules and regulations for administering this RSU Plan as the Committee may deem necessary or appropriate in order to comply with the requirements of this RSU Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (c) No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this RSU Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made.
- (d) The appropriate officers of the Company are hereby authorized and empowered to do all things, and to execute and deliver all instruments, undertakings, applications and writings as they, in their absolute discretion, consider necessary or appropriate for the implementation of this RSU Plan and of the rules and regulations established for administering this RSU Plan.
- (e) All costs incurred in connection with this RSU Plan shall be for the account of the Company.

3.3 Maximum Number of Shares

- (a) The maximum number of Common Shares made available for issuance from treasury under this RSU Plan, subject to adjustments pursuant to Section 9 and Section 11.5, shall not exceed 3,000,000 Common Shares, provided, however, the number of Common Shares reserved for issuance from treasury under this RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its Subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding. Any Common Shares subject to a RSU which has been cancelled or terminated in accordance with the terms of this RSU Plan without settlement will again be available under this RSU Plan. The number of Common Shares reserved for issuance from treasury

under this RSU Plan may be amended subject to the policies and approval of the TSXV and the approval of the disinterested holders of Common Shares by way of ordinary resolution at a meeting of the holders of Common Shares.

- (b) The grant of RSUs under this RSU Plan is subject to a number of restrictions including the following: (i) the aggregate number of Common Shares which may be reserved for issuance to Insiders under this RSU Plan and all other Security-Based Compensation Arrangements shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (ii) within any one-year period, the Company shall not issue Insiders under this RSU Plan and all other Security-Based Compensation Arrangements, in the aggregate, a number of Common Shares exceeding ten percent (10%) of the issued and outstanding Common Shares, calculated on a non-diluted basis; (iii) within any twelve (12) month period, the Company shall not issue to any one Person (and companies wholly-owned by that Person) under this RSU Plan and all other Security Based Compensation Arrangements, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis as at the date a Common Share is granted to the Person; (iv) within any twelve (12) month period the Company shall not issue to a Consultant under this RSU Plan and all other Security Based Compensation Arrangements, in the aggregate, a number of Common Shares exceeding two percent (2%) of the issued and outstanding Common Shares, calculated on a non-diluted basis as at the date a Common Share is granted to the Consultant; and (v) within any twelve (12) month period the Company shall not issue to any Person retained to provide investor relations activities, under this RSU Plan and all other Security Based Compensation Arrangements, in the aggregate, a number of Common Shares exceeding two percent (2%) of the issued and outstanding Common Shares, calculated on a non-diluted basis as at the date a Common Share is granted to any such Person;
- (c) In addition, the participation of non-employee Directors in this RSU Plan shall be subject to the following limitations: (i) the aggregate number of Common Shares made available for issuance from treasury to all non-employee Directors of the Company under this RSU Plan, or when combined with all of the other Security Based Compensation Arrangements of the Company and its Subsidiaries, shall not exceed one percent (1%) of the Company's total issued and outstanding Common Shares, and (ii) the value of Common Shares associated with grants to any individual non-employee Director of the Company under this RSU Plan, or when combined with grants under all of the other Security Based Compensation Arrangements of the Company and its Subsidiaries, shall not exceed \$150,000 annually. For greater certainty, the number of Common Shares outstanding shall mean the number of Common Shares outstanding on a non-diluted basis on the date immediately prior to the proposed Grant Date.
- (d) A RSU award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, vesting periods, restrictions or limitations imposed pursuant to this RSU Plan or as set out in the "RSU Award Agreement", to receive payment following the applicable Settlement Date in accordance with Section 8(e) of this RSU Plan.

Section 4 Eligibility

- (a) The Committee designates, upon recommendation from the President and/or Chief Executive Officer, from time to time and at his/her/their sole discretion, the executives, key employees and Consultants of the Company and/or a Subsidiary who are entitled to participate in this RSU Plan.
- (b) The participation of an executive officers and/or key employee or Consultant in this RSU Plan shall be evidenced by the delivery to the Company of a "Participation Agreement".
- (c) Each Participant's "Participant Agreement" shall specify, for purposes of Section 8(e), the elected form of payment to be received for each vested RSU, being either: (i) one (1) Common Share, (ii) a lump sum payment in cash equal to the Market Value of one (1) Common Share on the Settlement Date, or (iii) any combination of the foregoing. A Participant may only update their election by delivering a new "Participation Agreement" to the Company (which, for greater certainty, shall supersede any previously delivered "Participation Agreement") during a period that such Participant is not subject to a blackout period imposed by the Company applicable to a Participant, during which specified individuals, including "insiders" of the Company, may not trade in the securities of the Company (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information).

Section 5 Grant of Restricted Share Units

- (a) The Committee will periodically, in its sole discretion, make determinations on RSU grants, including the number of RSUs to be granted to a Participant, and the vesting conditions applicable to such RSUs, including time and performance vesting conditions (as applicable).
- (b) Subject to the discretion of the Committee, RSUs will vest in their entirety over three (3) years from the Grant Date (one-third on each of the first, second and third anniversary of the Grant Date).
- (c) The Company shall, within a reasonable period of time, notify each Participant in writing, by way of a "RSU Award Agreement", of the number of RSUs granted to him/her and the vesting conditions applicable to such RSUs, including time and performance vesting conditions (as applicable).

Section 6 Credits for Dividends

- (a) Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each Participant who holds RSUs on the record date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's RSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a Participant under this Section 6(a) shall be subject to the same vesting conditions (time and performance (as applicable)) as the RSUs to which they relate.
- (b) Notwithstanding Section 6(a), nothing in this RSU Plan shall permit the Company to grant RSUs in excess of the maximum number of Common Shares reserved for issuance from treasury under this RSU Plan, as set out in Section 3.3(a).

Section 7 Termination of Employment

Unless otherwise determined by the Board, the following provisions shall apply in the event that a Participant ceases to be employed by the Company or a Subsidiary:

- (a) Termination for Cause and Voluntary Resignation. If a Participant ceases to be an employee as a result of (I) termination for cause, then effective as of the date notice is given to the Participant of such termination all outstanding RSUs shall be terminated, or (II) a voluntary termination, then effective as of the date on which the Company or the Subsidiary receives communication of such voluntary resignation, all outstanding RSUs shall be terminated.
- (b) Death, Termination not for Cause, Retirement or Long-Term Disability. If a Participant ceases to be an employee of the Company or a Subsidiary as a result of death, termination not for cause, Retirement or Long-Term Disability, then the vesting of RSUs shall be subject to the following:
 - (i) For Each Outstanding RSUs Granted – Time Vesting Component:
 - (A) in the event the Participant is not entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the Grant Date of such RSUs until the date of death, termination not for cause, Retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant; or
 - (B) in the event the Participant is entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be *pro-rated* based on the sum of (I) the number of days actually worked from the Grant Date up until the date of death, termination not for cause, Retirement or Long-Term Disability, and (II) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant; and

(ii) For Each Outstanding RSUs Granted – Performance Vesting Component:

- (A) in the event the Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the Grant Date of such RSUs until the date of death, termination not for cause, Retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such *pro-rated* calculation will be multiplied by the performance percentage determined by the Committee.
- (B) in the event the Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the sum of (I) the number of days actually worked from the Grant Date up until the date of death, termination not for cause, Retirement or Long-Term Disability, and (II) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant; and

For greater certainty, a voluntary resignation will be considered as Retirement if the Participant has reached 65 years of age, or as otherwise stipulated from time to time in the Company's retirement policy (as such policy may be established or revised from time to time at the discretion of Company and subject to applicable laws), or as otherwise determined by the Committee.

Section 8 Vesting and Settlement of Restricted Share Units

- (a) Subject to the discretion of the Committee, RSUs will vest in their entirety over three (3) years from the Grant Date (one-third on each of the first, second and third anniversary of the Grant Date).
- (b) The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the Participant is employed by the Company and/or a Subsidiary on the date specified in the "RSU Award Agreement". The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the "RSU Award Agreement", provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Committee, all in accordance with the "RSU Award Agreement".
- (c) However, the Committee may, in its entire discretion, accelerate the terms of vesting of any RSUs in circumstances deemed appropriate by the Committee.
- (d) Upon a Change of Control, all outstanding RSUs shall vest, irrespective of any time or performance vesting conditions.
- (e) Within ten (10) days from the date on which RSUs vest to the Participant (or his or her succession), the Participant (or his or her succession) shall be entitled to receive, subject to Section 8(f), and the Company shall issue or pay, a payout with respect to the vested RSUs in the Participant's "RSU Account" in one of the following forms, in accordance with the election in such Participant's "Participation Agreement":
- (i) Common Shares issued from treasury equal in number to the vested RSUs in the Participant's "RSU Account" on the Settlement Date;
 - (ii) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's "RSU Account" multiplied by the Market Value of a Common Share on the Settlement Date; or
 - (iii) any combination of the foregoing,
- in each case, less any applicable withholding taxes and other deductions required by law to be withheld by the Company in connection with the satisfaction of the Participant's RSUs.
- (f) Notwithstanding the election of the Participant (or his or her succession) in Section 8(e), the Committee, in its sole discretion, shall be entitled to settle the Participant's "RSU Account" in any alternative form provided for in Section 8(e)(i)-(iii).

- (g) If, on the date that RSUs vest to a Participant, there is a blackout period imposed by the Company during which specified individuals, including "insiders" of the Company, may not trade in the securities of the Company (including, for greater certainty, any period during which specified individuals are restricted from trading because they possess material non-public information), then the Settlement Date for such RSUs shall be the tenth (10th) day following the date on which the RSUs vest to such Participant (or the immediately ensuing business day if such date is not a business day).
- (h) Once vested RSUs have settled, the Participant shall have no further entitlement in connection with such vested RSUs under this RSU Plan.
- (i) Shares issued by the Company under this RSU Plan shall be considered fully paid in consideration of past services that is no less in value than the fair equivalent of the money the Company would have received if the Common Shares had been issued for money.

Section 9 Adjustments to the Number of Restricted Share Units

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders or any other change affecting the Common Shares, such adjustments as are required to reflect such change shall be made with respect to the number of RSUs in the accounts maintained for each Participant, provided that no fractional RSUs shall be issued to Participants and the number of RSUs to be issued in such event shall be rounded down to the next whole number of RSUs.

Section 10 Participant Accounts

An "*RSU Account*" shall be maintained by the Company for each Participant participating in this RSU Plan. The Company shall record in the "*RSU Account*" of each Participant, at all times, the number of RSUs notionally credited to such Participant. Upon payment in satisfaction of RSUs pursuant to Section 8 hereof, such RSUs shall be cancelled. A written notification of the balance in the account maintained for each Participant shall be mailed by the Company or by an administrator on behalf of the Company to each Participant at least annually. A Participant shall not be entitled to any certificate or other document evidencing the amount of RSUs in his or her account.

Section 11 General

11.1 Change of Control

Notwithstanding any provisions to the contrary contained in this RSU Plan, all unvested RSUs outstanding at the time of a "Change of Control" shall vest immediately upon such Change of Control.

11.2 Non-Assignable

Except as otherwise may be expressly provided for under this RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a Participant under this RSU Plan is assignable or transferable.

11.3 No Contract of Employment

Neither participation in this RSU Plan nor any action taken under this RSU Plan shall give or be deemed to give any Participant a right to continued employment with the Company and shall not interfere with any right of the Company to dismiss any Participant. The payment of any sum of money in cash *in lieu* of notice of the termination of employment shall not be considered as extending the period of employment for the purposes of this RSU Plan.

11.4 No Shareholder Rights

No Participant shall have any claim or right to any Common Shares pursuant to this RSU Plan. Under no circumstances shall RSUs be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares, nor shall any Participant be considered the owner of any Common Shares pursuant to this RSU Plan.

11.5 Reorganization of the Company

The existence of any RSUs shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the Common Shares following a dividend of shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any other similar change in the capital structure of the Company, an adjustment shall be made by the Company to the number of RSUs or to the kind of shares that are subject to the issued RSUs, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of this RSU Plan.

11.6 Suspension, Termination or Amendments of this RSU Plan

The Committee may from time to time amend, suspend or terminate this RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with this RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a Participant with respect to RSUs credited to such Participant, the written consent of such Participant to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Participant to an amendment, suspension or termination which materially or adversely affects the rights of such Participant with respect to any credited RSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.

If the Committee terminates this RSU Plan, RSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of this RSU Plan (which shall continue to have effect, but only for such purposes) on the Settlement Date.

Notwithstanding the foregoing, any amendment to this RSU Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSXV.

11.7 Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this RSU Plan.

11.8 Governing Law

This RSU Plan and the RSUs granted under this RSU Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.