



INVITATION TO SHAREHOLDERS

On behalf of our Board of Directors, management and employees, we invite you to attend the annual and special meeting of shareholders of VIQ Solutions Inc. at 10:00 a.m. (Toronto time) on Wednesday, June 21, 2017 at 100 Allstate Parkway, Markham, ON, L3R 6H3.

The items of business to be considered at this meeting are described in the enclosed Notice of Annual and Special Meeting and Management Information Circular. No matter how many shares you hold, your participation at this meeting is very important. If you are unable to attend the meeting in person, we encourage you to vote by following the instructions included on the enclosed proxy form and returning the completed form in the envelope provided.

We hope you will take the time to review the enclosed Management Information Circular. During the meeting, we will discuss a number of initiatives we have undertaken this year and our plans for future growth.

We look forward to answering your questions and hope you will accept this invitation to meet the directors and executives of your Company.

We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink that reads 'Sebastien Paré'.

Sebastien Paré
President and Chief Executive Officer

May 17, 2017

VIQ SOLUTIONS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO: THE SHAREHOLDERS OF VIQ SOLUTIONS INC.

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders of VIQ Solutions Inc. ("**VIQ**" or the "**Company**") will be held at 100 Allstate Parkway, Markham, Ontario on Wednesday, June 21, 2017 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2016 and the auditor's report thereon;
2. to fix the number of directors to be elected at the Meeting at five (5);
3. to consider and, if thought appropriate, to pass an ordinary resolution electing five (5) directors of the Company for the ensuing year;
4. to consider and, if thought appropriate, to pass an ordinary resolution appointing the auditors of the Company and authorizing the directors to fix their remuneration;
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the Company's stock option plan, as more particularly described in the accompanying management information circular (the "Information Circular");
6. to consider and, if thought appropriate, to pass, with or without variation, a special resolution approving the application of the Company for continuance under the laws of Ontario (the "Continuance"), as more particularly described in the Information Circular;
7. to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

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

Shareholders of VIQ who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Secretary of VIQ, c/o TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the above address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

Registered shareholders have the right to send a notice of dissent with respect to the Continuance and be paid the fair value of their common shares in accordance with the provisions of Section 191 of the *Business Corporations Act (Alberta)* if the Continuance becomes effective. This right to dissent is described in the Information Circular (see "Approval of the Continuance of the Company into Ontario – Rights of Dissenting Shareholders"). Failure to strictly comply with the dissent procedures set out in the accompanying Information Circular may result in the loss or unavailability of any right of dissent. Beneficial owners of common shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that **ONLY A REGISTERED SHAREHOLDER IS ENTITLED TO EXERCISE RIGHTS OF DISSENT.**

The board of directors of VIQ has fixed the record date for the Meeting at the close of business on May 15, 2017 (the "**Record Date**"). Only shareholders of VIQ of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date.

DATED at Markham, Ontario this 15th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Sebastien Paré"

President, Chief Executive Officer and a Director

VIQ SOLUTIONS INC.

Information Circular - Proxy Statement
for the Annual and Special Meeting of Shareholders
to be held on June 21, 2017

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of VIQ Solutions Inc. ("VIQ" or the "Company") for use at the Annual and Special Meeting of the shareholders (the "Shareholders") of the Company (the "Meeting") to be held on June 21, 2017 at 10:00 a.m. (Toronto time) at 100 Allstate Parkway, Markham, Ontario and at any adjournment(s) thereof, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders. Instruments of Proxy must be received by the Secretary of the Company c/o TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. The Board of Directors of the Company has fixed the record date for the Meeting at the close of business on May 15, 2017 (the "Record Date**"). Shareholders of the Company of record as at the Record Date are entitled to receive notice of the Meeting and to vote those common shares (the "**Common Shares**") of the Company included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date.**

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

The persons named in the enclosed Instrument of Proxy are directors and/or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the Instrument of Proxy furnished by the Company, who need not be a Shareholder, to attend and act for such Shareholder at the Meeting. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

The Company is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The Company will send proxy-related materials directly to non-objecting Beneficial Shareholders (as defined herein) and such materials will be delivered to non-objecting Beneficial Shareholders by TMX Equity Transfer Services or through the non-objecting Beneficial Shareholder's intermediary. These shareholder materials are being sent to both registered and non-registered Shareholders of the Company. If you are a non-registered Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company does not intend to pay for the costs of an intermediary to deliver to objecting Beneficial Shareholders the proxy related materials and Form 54-107F7 *Request for Voting Instructions Made by Intermediary*, and objecting Beneficial Shareholders will not receive the materials unless their intermediary assumes the cost of delivery.

REVOCABILITY OF PROXY

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

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Meeting and this Information Circular will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Company, who will not be specifically remunerated therefor.

No person is authorized to give any information or make any representations other than those contained in this Information Circular and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

EXERCISE OF DISCRETION BY PROXY

The Common Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Meeting. At the time of printing this Information Circular, management of the Company knows of no such amendment, variation or other matter.

ADVICE TO BENEFICIAL SHAREHOLDERS

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

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote its Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

VOTING SHARES AND PRINCIPAL HOLDERS

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As at May 15, 2017, 139,216,604 Common Shares of the Company were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if two persons are present holding or representing by proxy in the aggregate not less than 5% of the Common Shares entitled to be voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, as at the date hereof, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to the Common Shares, except as set out in the table below.

Name and Municipality of Residence	Number of Common Shares	Percentage of Common Shares Outstanding
Tera Capital Corporation, Toronto, Ontario	13,955,056	10.0%

MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

At the Meeting, the financial statements of the Company for the fiscal year ended December 31, 2016 and the auditors' report on such statements will be placed before the Shareholders. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements.

Fixing Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the Articles and By-laws of the Company, be fixed at five (5). Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting at five (5).

Election of Directors

There are presently five (5) directors of the Company. Unless otherwise directed, it is the intention of management to vote proxies in favour of a resolution electing as directors the five (5) nominees hereinafter set forth:

Sebastien Paré
George Kempff
Larry Taylor
Harvey Gordon
Joseph Quarin

The names and jurisdictions of residence of the persons nominated for election as directors, the number of voting securities of the Company beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in the Company, the period served as director and the principal occupation of each are as follows:

Name and Jurisdiction of Residence	Number of Common Shares Beneficially Owned	Director Since	Principal Occupation
Larry Taylor ⁽¹⁾⁽²⁾ Ontario, Canada	10,401,868	June, 2014	Mr. Taylor has been CEO Group Leader of CEO Global Network since 2011 and President of Taylor Made Solutions since 2009. He currently sits as an independent board member for Continental Bank of Canada as well as serving as Board Chair for the Green Energy Cooperative of Ontario and Advisory Board Chair for Spark Power Corporation. Mr. Taylor is a Certified Management Accountant and a Certified Management Consultant. Mr. Taylor has previously held key senior executive positions with several companies including National Money Mart, Travelex Americas and Cap Gemini Ernst & Young Canada Inc. Mr. Taylor has experience working with private equity firms to identify, acquire and combine companies to create shareholder value.

Name and Jurisdiction of Residence	Number of Common Shares Beneficially Owned	Director Since	Principal Occupation
Harvey Gordon ⁽¹⁾⁽²⁾ Ontario, Canada	1,293,082	June, 2014	Mr. Gordon has been the Managing Director of Gordon International since 2002. Mr. Gordon has previously held key senior executive positions with several industry leading software and service firms, including Algorithmics Inc., Changepoint Corporation, Infonet Services Corporation and Magic Lantern Group. Mr. Gordon holds a Master of Science degree in Computer Science and a Bachelors of Applied Science in Engineering Science.
George Kempff ⁽¹⁾⁽²⁾ Ontario, Canada	1,691,174	August, 2005	Mr. Kempff is a Certified Management Accountant. Mr. Kempff formerly held the position of Vice President and Chief Financial Officer of ZoomerMedia Limited from January 2010 until 2017. From 2000 to 2005, Mr. Kempff served as Vice President, Finance for Stuart Energy Systems Corporation prior to that company being acquired by Hydrogenics Corporation.
Sebastien Paré Ontario, Canada	5,701,928	February, 2015	Mr. Paré has been the Chief Executive Officer of the Company since January 2015 and has served as the President of the Company since August 2014. Prior thereto Mr. Paré served as President of CSDC Systems Inc. since May of 2004. Mr. Paré is a leading expert on digital eServices and enterprise automation for public sector agencies around the world. He has worked in North America, the Caribbean, the Middle East and West Africa. Prior to his position at the Company, he was President and Chief Operating Officer of an enterprise technology platform company dedicated to public sector digital services. Previously, he held key management roles in professional and advisory services and sales and product positions in public and private sectors in North America and in the Middle East. Mr. Paré received a Bachelor of Science from the University of Quebec at Montreal and a Master of Science from the University of British Columbia.
Joseph Quarin Ontario, Canada	1,924,381	November 2016	Joseph Quarin was Chief Executive Officer of Progressive Waste Solutions Ltd. from January 2012 until the reverse merger announcement with Waste Connections Inc. in January 2016. Mr. Quarin was ranked #10 on the Financial Post's Top 100 CEO Scorecard 2016, delivering a two-year return of 78% to shareholders, and named one of Canada's Top 40 Under 40 in 2004. Prior to joining BFI Canada, predecessor to Progressive, in 2000, Mr. Quarin developed his finance and business management skills at Edgestone Capital Partners, KPMG Corporate Finance, Deloitte and Arthur Andersen. Mr. Quarin's experience includes corporate strategy and capital allocation, capital structure and financing growth, North American capital markets, regulatory reporting and disclosures, investor relations and liaising with institutional shareholders.

Notes:

1. The members of the Company's Audit Committee are, as at the date hereof, George Kempff (Chair), Larry Taylor, Harvey Gordon, Joe Quarin.
2. The members of the Company's Compensation, Nominating and Corporate Governance Committee are, as at the date hereof, Joe Quarin (Chair), Larry Taylor and Harvey Gordon.

The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Company by the respective nominees as at the date of this Information Circular. As at the date hereof, the directors and officers of the Company, and their associates and affiliates, as a group own or control, directly or indirectly, 21,012,433 Common Shares or 15.1% of the issued and outstanding Common Shares.

Majority Voting for Directors

VIQ's board of directors has adopted a majority voting policy stipulating that if the votes in favour of the election of a director nominee at a Shareholders' meeting represent less than a majority of the Common Shares voted and withheld, the nominee will submit their resignation promptly after the meeting, for the board's consideration. The board's decision to accept or reject the resignation offer will be disclosed to the public within 90 days of the applicable Shareholders' meeting. The nominee will not participate in any board deliberations on the resignation offer unless there are not at least three directors who did not receive a majority withheld vote. The policy does not apply in circumstances involving contested director elections.

To our knowledge, no proposed director:

- (a) within ten (10) years of the date hereof, was a director or chief executive officer or chief financial officer of any company, including the Company, that acted in that capacity for a company that:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (b) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of MNP LLP, Chartered Professional Accountants, Toronto, Ontario, to serve as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration as such. MNP LLP has been the Company's auditors since July 2016.

Approval of Stock Option Plan

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

Shareholders will therefore be asked at the Meeting to consider and, if thought advisable, to approve an ordinary resolution approving the Option Plan (the "**Option Plan Resolution**") having the terms and provisions described herein. The Shareholders of the Company initially approved the Option Plan on December 23, 2004. In February 2011, the directors of the Company approved certain "housekeeping" modifications to the Option Plan, which were later ratified by the Shareholders on June 23, 2011, that provided for the following changes:

- (i) a provision that provides that if the normal expiry date of an Option falls within any black-out period (being a period of time when pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company), the expiry date of such Options shall be extended to the date that is ten business days following the end of such black-out period;

- (ii) a provision that provides that if there takes place a "change of control" (as such term is defined in the Option Plan) of the Company, all issued and outstanding Options shall be exercisable (whether or not then vested) immediately prior to the time such change of control takes place and shall terminate on the 90th day after the occurrence of such change of control, or at such earlier time as may be established by the Board of Directors, in its absolute discretion, prior to the time such change of control takes place; and
- (iii) a provision entitling the Company to deduct or withhold, or require an option holder to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation.

In addition, on April 16, 2015, the Board of Directors approved certain additional amendments to the Option Plan to provide the Board of Directors (or any committee delegated by the board to administer the Option Plan) the discretion to subsequently extend the expiry date of any Option granted under the Option Plan beyond the 90 day period provided for in the Option Plan (subject to a maximum of one year) in the event an optionee ceases to be a director or employee of the Company, or ceases to provide ongoing management or consulting services to the Company, as the case may be.

In addition to the provisions described above, the Option Plan provides for the granting of Options to purchase Common Shares of the Company to directors, officers, employees and consultants (as permitted by applicable law). The Option Plan is administered by the Board of Directors, or a committee of the Board of Directors appointed from time to time for such purpose. Options may be granted at the discretion of the Board of Directors or a committee thereof, in such number that may be determined at the time of grant, subject to the limits set out in the Option Plan. The aggregate number of Common Shares reserved for issuance upon exercise of the Options granted under the Option Plan must not exceed 10% of the number of Common Shares that are issued and outstanding. The number of Common Shares issuable upon the exercise of the Options granted to any one individual, within a one-year period, cannot exceed 5% of the number of Common Shares issued and outstanding. The Company currently has 11,144,361 outstanding Options, at exercise prices ranging from \$0.05 to \$0.22.

The exercise price of Options granted under the Option Plan will be fixed by the Board of Directors, or a committee thereof, at the time of grant, provided that such exercise price may not be less than the Discounted Market Price (as defined in the Exchange's policies) of the Common Shares, or such other prices as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange. The Options granted under the Option Plan will vest on a basis, and will be exercisable for a period not exceeding five years, as determined by the Board of Directors, or a committee thereof, at the time of grant. In the absence of any determination by the Board of Directors as to vesting, vesting shall be as to one third on the date of grant and one third on each of the first and second anniversaries of the date of grant.

The foregoing summary is subject to the specific provisions of the Option Plan (as amended), a copy of which is attached hereto as Schedule "A".

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

"BE IT RESOLVED as an ordinary resolution of the Shareholders of the Company that:

1. the stock option plan of the Company (the "Option Plan"), on the terms described in the management information circular of the Company dated May 17, 2017 be and the same is hereby ratified and confirmed until the next annual meeting of the Company;
2. any one director or officer of the Company be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the Shareholders of the Company, the adoption of the Option Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

It is the intention of management to vote the proxies in the accompanying form in favour of the Option Plan Resolution.

Approval of the Continuance of the Company into Ontario

The Company was incorporated under the *Business Corporations Act* (Alberta) (the "**ABCA**"). In light of the fact that none of Company's professional advisors are located in Alberta, while many of the professional advisors to the Company are located in Ontario, management wishes to effect the continuance (the "**Continuance**") of the Company from the Province of Alberta to the Province of Ontario. As a result of the Continuance the Company will cease to be governed by the ABCA and instead the Company will be governed by the *Business Corporations Act* (Ontario) (the "**OBCA**").

If the special resolution approving the Continuance (the "**Continuance Resolution**") is approved at the Meeting, it would give the Board of Directors authority to implement the Continuance. Notwithstanding approval of the proposed Continuance by Shareholders, the Board of Directors, in its sole discretion, may revoke the special resolution and abandon the Continuance without further approval or action by or prior notice to Shareholders.

If the Continuance is approved by Shareholders and implemented by the Board of Directors, the Company shall apply to and file all necessary documentation with the Registrar of Corporations under the ABCA for an authorization to continue into the Province of Ontario. Immediately following the receipt of the Registrar's authorization, the Company shall apply for a certificate of continuance and file articles of continuance under the OBCA to continue the Company into Ontario. The articles of continuance will constitute the governing instrument of the continued Company under the OBCA and the certificate of continuance issued by the Director under the OBCA will be deemed to be the certificate of incorporation of the continued Company.

In connection with the Continuance, the existing articles and by-laws of the Company will be repealed and the Company will adopt articles and by-laws which are suitable for an Ontario corporation, but which in all material respects are similar to the current constating documents of the Company. The proposed by-laws of the Company have been attached hereto as Schedule "D".

The Continuance will not result in any change in the business of the Company or its assets, liabilities or net worth, nor in the persons who constitute the Company's Board and management. The Continuance is not a reorganization, an amalgamation or a merger.

By operation of the OBCA, as of the effective date of the Continuance, all of the assets, property, rights, liabilities and obligations of the Company immediately before the Continuance will continue to be the assets, property, rights, liabilities and obligations of the Company as continued under the OBCA. On the effective date of the Continuance, the Company's property will continue to be the property of the Company; the Company will continue to be liable for the obligations of the Company; an existing cause of action, claim or liability to prosecution of the Company will be unaffected; a civil, criminal or administrative action or proceeding pending by or against the Company may continue to be prosecuted by or against the Company; and a conviction against, or ruling, order or judgment in favour of or against the Company may be enforced by or against the Company.

Comparison of Rights under the OBCA and the ABCA

The provisions of the OBCA dealing with shareholder rights and protections are generally comparable to those contained in the ABCA. Shareholders of the Corporation will not lose any significant rights or protection as a result of the Continuance.

The following is a summary comparison of the provisions of the OBCA and the ABCA which pertain to the rights of Shareholders. This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the continuance.

Sale of the Company's Undertaking

The OBCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business. If a sale, lease or exchange of all or substantially all of the property of a corporation would affect a particular class or series of shares in a manner that is different than the shares of another class or series entitled to vote, then

such class or series of shares are entitled to a separate class or series vote, regardless of whether or not such shares otherwise carry the right to vote.

Under the ABCA, the directors of a company may dispose of all or substantially all of the business or undertaking of the company only if it is in the ordinary course of the corporation's business or with shareholder approval authorized by special resolution. Under the ABCA a special resolution means a resolution passed by a majority of not less than 2/3 of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution.

Amendments to the Articles of a Corporation

Under the OBCA, amendments to the articles of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the holders of a class or series of shares are affected differently by the amendments than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote. A resolution to amalgamate an OBCA corporation requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Similar to the OBCA, most corporate alterations under the ABCA will require a special resolution. Alteration of the special rights and restrictions attached to issued shares requires consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a corporation out of the jurisdiction requires a special resolution.

Rights of Dissent and Appraisal

The ABCA provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a company, may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the company proposes to:

- amend its articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class;
- amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on;
- amend its articles to add or remove an express statement establishing the unlimited liability of shareholders;
- amalgamate with another corporation;
- be continued under the laws of another jurisdiction; or
- sell, lease or exchange all or substantially all its property.

The OBCA contains a similar dissent remedy, although the procedure for exercising this remedy is different from that contained in the ABCA.

Shareholder Derivative Actions

Under the OBCA, a complainant, defined as including a registered or beneficial shareholder, a former registered or beneficial holder of a corporation or any of its affiliates, a director or officer or a former director or officer of a corporation or any of its affiliates, or any other person whom the court considers to be a proper person to make an application under the OBCA, may, with leave of the court, bring an action in the name and on behalf of the company to bring an action in the name and on behalf of a corporation or any of its subsidiaries or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

The right to bring a derivative action under the ABCA extends to creditors, who may bring forward an action in the name and on behalf of a corporation or any of its subsidiaries or intervene in an action to which a corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation or subsidiary.

Oppression Remedies

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates: (a) any act or omission of a corporation or its affiliates effects or threatens to effect a result; (b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer.

The oppression remedy under the ABCA is similar to the remedy found in the OBCA, with the exception that creditors can seek an oppression remedy if in the discretion of the Court the creditor is a proper person to make an application.

Requisition of Meetings

Both the OBCA and the ABCA permit the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Place of Meetings

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, and if the by-laws of the corporation so provide, meetings of shareholders may be held either inside or outside Ontario as the directors may determine. The ABCA requires all meetings of shareholders to be held at the place within Alberta provided in the by-laws or, in the absence of such provision, at the place within Alberta that the directors determine.

Directors

The OBCA requires that at least 25% of directors be resident Canadians and requires that for offering corporations not fewer than three individuals be elected and at least one-third of the directors not be officers or employees of the corporation or its affiliates.

The ABCA also requires that at least 25% of directors be resident Canadians and provides that a public company must have not fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.

Recommendation

The Board recommends that shareholders vote to approve the Continuation Resolution.

If named as proxy, the management designees intend to vote the shares represented by such proxy at the Meeting for the approval of the Continuation Resolution, unless otherwise directed in the instrument of proxy.

Shareholder Approval

A special resolution is defined in the ABCA as requiring the approval of not less than two-thirds (2/3) of the votes cast in person or by proxy at the Meeting. Consequently, the Continuation will be authorized and approved when the Continuation Resolution the text of which is set forth in Schedule "B" attached hereto, has been passed, with or without variation, by at

least two-thirds of the votes cast in respect of the Continuance Resolution by the holders of the shares present or voting by proxy at the Meeting.

Right of Dissent

Registered Shareholders (as defined below) have the right to dissent to the Continuance Resolution pursuant to Section 191 of the ABCA. This summary is expressly subject to Section 191 of the ABCA, the text of which is reproduced in its entirety in Schedule "C" hereto. The Company is not required to notify, and will not notify, Shareholders of the time periods within which action must be taken in order for a Shareholder to perfect his or her dissent rights. **It is recommended that any Shareholder wishing to avail himself or herself of his or her dissent rights seek legal advice, as failure to comply strictly with the provisions of Section 191 of the ABCA may prejudice any such rights.** A **"Registered Shareholder"** is a shareholder whose shares are registered in his or her name on the shareholder register. If a shareholder holds his or her shares through an investment dealer, broker or market intermediary, he or she will not be a Registered Shareholder as such shares will be registered in the name of such investment dealer, broker or market intermediary. Any holder of shares who wishes to invoke his or her dissent rights should register his or her shares in his or her name or arrange for the Registered Shareholder to dissent. Any holder of shares who wishes to invoke his or her dissent rights is urged to consult with his or her legal or investment advisor to determine whether they are Registered Shareholders and to be advised of the strict provisions of Section 191 of the ABCA. Any shareholder who wishes to register his or her shares in his or her own name is urged to consult with his or her legal or investment advisor or the registrar and transfer agent of the Company at the following address:

TMX Equity Transfer Services
200 University Avenue, Suite 300
Toronto, Ontario, M5H 4H1

In the event that the Continuance Resolution is adopted and becomes effective, any Shareholder who dissents in respect of the Continuance Resolution in compliance with Section 191 of the ABCA (a **"Dissenting Shareholder"**) will be entitled to be paid by the Company a sum representing the fair value of his or her shares. No right of dissent or appraisal is available to a holder of shares with respect to any other matter to be considered at the Meeting other than the Continuance.

A Dissenting Shareholder must send to the Company at or before the Meeting, a written objection to the Continuance Resolution (a **"Dissent Notice"**). A vote against the Continuance Resolution does not constitute a Dissent Notice. The ABCA does not provide for partial dissent and, accordingly, a shareholder may only dissent with respect to all of the shares held by him or her or on behalf of any one beneficial owner whose shares are registered in his or her name. An application by the Company or by a Shareholder if he or she has sent a Dissent Notice as described above may be made to the Court of Queen's Bench of Alberta (the **"Court"**) by originating notice, after the adoption of the Continuance Resolution to fix the fair value of the Common Shares held by the Dissenting Shareholder. The fair value is to be determined as of the close of business on the last business day before the date on which the Continuance Resolution was adopted. If an application is made to the Court, the Company shall, unless the Court otherwise orders, send to each Dissenting Shareholder, at least ten days before the date on which the application is returnable if the Company is the applicant or within ten days after the Company is served with a copy of the originating notice if the Dissenting Shareholder is the applicant, a written offer to pay an amount considered by the Board of Directors to be the fair value of the Common Shares. Every such offer is to be made on the same terms and is to contain or be accompanied by a statement showing how the fair value was determined.

Upon the occurrence of the earliest of: (i) the effective date of the Continuance, (ii) the making of an agreement between the Company and the Dissenting Shareholder as to the payment to be made by the Company for the dissenting Common Shares, or (iii) a pronouncement of the Court fixing the fair value of the Common Shares a Dissenting Shareholder ceases to have any rights as a Shareholder of the Company other than the right to be paid the fair value of his or her shares in the amount agreed to between the Company and the Dissenting Shareholder or in the amount fixed by the Court, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw his or her Dissent notice or the Company may rescind the Continuance Resolution and in either event, the dissent and appraisal proceedings in respect of such Dissenting Shareholder will be discontinued.

Dissenting Shareholders will not have any right other than those granted under the ABCA to have their Common Shares appraised or to receive the fair value thereof.

EXECUTIVE COMPENSATION

The Compensation, Nominating and Corporate Governance Committee (the "**Compensation Committee**") administers the Company's executive compensation program for, among others, our Chief Executive Officer, our Chief Financial Officer and one (1) other most highly compensated executive officers (other than the Chief Executive Officer and Chief Financial Officer) who were serving as executive officers at the end of the most recently completed financial year (the "**Named Executive Officers**") whose total compensation during such financial year exceeded \$150,000.

Objectives of Executive Compensation Program

The Compensation Committee has primary responsibility for determining executive remuneration and for the design and review of the Company's compensation plans. In fulfilling this role, the Compensation Committee seeks to:

- provide total compensation that is closely linked to the Company's performance and to individual performance of the Named Executive Officers;
- align the interests of the Company's executive officers with those of its shareholders through incentive stock options; and
- ensure that compensation and benefits are at levels such that the Company is able to attract and retain the caliber of executives and officers it needs to achieve its desired growth and performance targets.

In reviewing and recommending executive compensation in 2015, the Compensation Committee examined the base salaries, short-term incentive bonuses and long-term incentives individually and as part of a total compensation package for the Named Executive Officers.

Elements of Executive Compensation Program

Our executive compensation program has three principal components:

- base salary;
- short-term incentives (paid in cash); and
- long-term, equity-based incentives.

We believe that this variable compensation encourages high performance, promotes accountability and ensures that the interests of our Named Executive Officers are aligned with the interest of Shareholders by linking individual performance and increases in shareholder value.

In establishing the Company's executive compensation program, the Compensation Committee also considers the implication of the risks associated with the Company's compensation program, including:

- The risk of executives taking inappropriate or excessive risks.
- The risk of inappropriate focus on achieving short-term goals at the expense of long-term return to shareholders.
- The risk of encouraging aggressive accounting practises.
- The risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety compliance.

While no program can fully mitigate these risks, the Company believes that many of these risks are mitigated by:

- Weighting the Company's long-term incentives towards share ownership and vesting long-term incentives over a number of years.
- Establishing a uniform incentive programs for all executive officers and employees.
- Avoiding narrowly focused performance goals which may encourage loss of focus on providing long-term shareholder return and retaining adequate discretion to insure that the Committee and Board retain their business judgment in assessing actual performance.
- Establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

Base Salary

The objectives of base salary are to provide a fixed level of competitive pay that recognizes and acknowledges the competencies and skills of individuals and rewards individual contributions. We use a variety of methods in determining appropriate levels of salary and bonus payable to our executive officers, based on relevant market data concerning the market

place and our peer group (as further discussed below under "*Determination of Compensation*"). This data is then used as a basis for determining, among other things, the executive officer's base salary.

Annual Incentives

We provide a short-term incentive plan in which the Named Executive Officers participate. This incentive plan is intended to reward achievement of short-term financial performance and milestones and focus on key financial, strategic and other business objectives. Our short-term incentive plan provides for performance incentives based on the achievement of certain milestones up to targeted percentages of base salary based on market benchmarking. The Board of Directors, based on the recommendations of the Committee, uses their discretion and subjective judgement as to what milestones may be applicable for a particular year and the milestones and performance criteria may vary from year to year. The extent to which the milestones have been achieved is also determined subjectively by the Board of Directors, based on the recommendations of the Committee. The maximum bonus upon achievement of the milestones is 70% of the current base salary for the Chief Executive Officer and 50% of current base salary for the Chief Technology Officer.

Long-term Incentives

Long-term compensation is designed to align the executive's personal interests with the long-term interests of the Company and its Shareholders. Our long-term compensation consists of our Option Plan pursuant to which we grant Options to certain employees and officers to purchase Common Shares at a fixed price, linking the executive compensation directly to the future appreciation in the price of our shares (see "*Incentive Plan Awards*" for a detailed description of the Option Plan).

Determination of Compensation

In reviewing and recommending executive compensation in 2015, the Compensation Committee examined the base salaries, short-term incentive bonuses and long-term incentives individually and as part of a total compensation package for the Named Executive Officers.

The Company's reference market for the purpose of benchmarking executive compensation includes publicly-listed technology companies of comparable size, complexity, location, market capitalization and revenue. The following companies are considered comparative companies: CounterPath Corporation, Pure Technologies Ltd., Posera-HDX Ltd. and Nightingale Informatix Corporation (collectively, the "**Peer Group**").

In respect of compensation, the Compensation Committee has used a guideline that each Named Executive Officer's compensation package should be in the 50th percentile of each component (base salary, annual performance bonus and long-term incentives) as well as total compensation, relative to similar positions at the Peer Group. If needed, the Committee has made adjustments to reflect market trends, individual performance (including achievement of the benchmarks described in "**Annual Incentives**") and level of experience. This approach allows us to differentiate salaries that reflect a range of experience and performance levels among our executives and determines the basis on which the Compensation Committee sets the salaries and other forms of compensation of the Named Executive Officers.

In all cases, compensation was determined with reference to the financial and strategic imperatives of the Company, the responsibilities of the position, the performance of the incumbent, the competitive marketplace for qualified executive talent and the compensation practices of the Peer Group. Annual incentives are determined with reference to both overall corporate performance and achievement of individual objectives. In 2015, corporate objectives included financial targets for revenue, gross margin, sustainability, technological leadership, strategic partnerships and investor relations advancement. These objectives were also part of the basis for certain of the milestones and benchmarks used in 2015 for evaluating the Named Executive Officers' cash bonuses. See "*Executive Compensation – Summary Compensation Table*."

Composition of the Compensation, Nominating and Corporate Governance Committee

During 2016, Larry Taylor (Chair), George Kempff and Harvey Gordon served as members of the Compensation Committee. Each member of the Compensation Committee (being Mr. Kempff, Mr. Taylor and Mr. Gordon) is "independent" for the purpose of National Instrument 58-101 – *Corporate Governance Guidelines* ("NI 58-101"). For a description of the skills and experience of each current member of the Compensation Committee enabling such person to consider and make decisions regarding the suitability of the Company's compensation policies and practices, please refer to the respective biography of each member of the Compensation Committee set forth under the heading "*Election of Directors*".

Mandate and Terms of Reference of the Compensation Committee

The Board has adopted a mandate for the Compensation Committee which has, as part of its mandate, the responsibility for reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of the Company in the context of the budget and business plan of the Company. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

- (i) to review the compensation philosophy and remuneration policy for officers of the Company and to recommend to the Board changes to improve the Company's ability to recruit, retain and motivate officers;
- (ii) to review and recommend to the Board the retainer and fees to be paid to members of the Board;
- (iii) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and to evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the Chief Executive Officer's compensation level based on such evaluation;
- (iv) to recommend to the Board with respect to officer (other than the Chief Executive Officer) and director compensation including to review management's recommendation for proposed stock option and other incentive compensation plans and equity-based plans for officer (other than the Chief Executive Officer) and director compensation and make recommendations in respect thereof to the Board;
- (v) to administer the Option Plan approved by the Board in accordance with its terms including the recommendation to the Board of the grant of Options in accordance with the terms thereof;
- (vi) to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Company and to establish targets or criteria for the payment of such bonuses, if appropriate; and
- (vii) to prepare and submit a report of the Compensation Committee for inclusion in annual disclosure required by applicable securities laws to be made by the Company required to be included in the information circular – proxy statement of the Company and review other executive compensation disclosure before the Company discloses such information.

The Compensation Committee is required to be comprised of at least three directors of the Company or such greater number as the Board may determine from time to time, provided that if a vacancy on the Compensation Committee exists the remaining members of the Compensation Committee may exercise all powers at the Compensation Committee provided a quorum (minimum of two persons) exists. All members of the Compensation Committee are required to be independent as such term is defined for purposes of National Instrument 58-101. The Board is, from time to time, to designate one of the members of the Compensation Committee to be the Chair of the Compensation Committee. Pursuant to the mandate of the Compensation Committee, meetings of the Compensation Committee are to take place at least one time per year and at such other times as the Chair of the Compensation Committee may determine.

Summary Compensation Table

The following table summarizes the compensation paid to or earned by the Named Executive Officers who were serving as Named Executive Officers at the end of the two most recently completed financial years.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, Consulting Fees, Retainer or Commission	Bonus ⁽¹⁾	Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation	Total Compensation
Sebastien Paré <i>President and Chief Executive Officer</i>	2016	\$240,000	\$100,000	Nil	\$7,200	Nil	\$340,000
	2015	\$252,000 ⁽²⁾	Nil	Nil	\$7,200	Nil	\$259,200
Malcolm Macallum <i>Chief Operating Officer and Chief Technology Officer</i>	2016	\$195,000	Nil	Nil	\$9,000	Nil	\$204,000
	2015	\$204,750 ⁽²⁾	Nil	Nil	\$9,000	Nil	\$213,750
Lawrence Tjan <i>Chief Financial Officer</i>	2016	\$133,875	Nil	Nil	Nil	Nil	\$133,875

Notes:

1. Reflects the cash amounts awarded to the Named Executive Officer under the Company's bonus plan.
2. From October 1, 2014 to December 31, 2014, each of Sebastien Paré and Malcolm Macallum agreed to defer the receipt of certain amounts of their respective salaries until early 2015 in order to preserve the Company's cash balances. During the year ended December 31, 2014, Mr. Paré deferred \$9,000 in salary and Mr. Macallum deferred \$7,312.50 in salary. All deferred amounts were paid in 2015 to such individuals at \$1.3333.

Incentive Plan Awards

Directors, officers, employees and consultants are eligible to participate in the Option Plan. Awards of Options are made from time to time to participants at varying levels that are generally consistent with the individual's level of responsibility within the Company. Under the Option Plan, the Company is entitled to reserve for issuance a total of a "rolling" 10% of the issued and outstanding Common Shares of the Company. The criteria used to determine eligibility for granting of Options, the number of Common Shares to which each Option is exercisable into, the term of each Option and the vesting of each Option is at the discretion of the Board of Directors and the exercise price is determined by the directors based on the closing market price of the Common Shares on the date of the grant. Notwithstanding the foregoing, the exercise price may not be less than the "Discounted Market Price" prescribed by the policies of the Exchange at the time of grant. The term of an Option may not be for more than five years from the date on which it is granted. All Options are non-transferable. The maximum number of Common Shares reserved for issuance to any one individual on the exercise of Options held by that one individual may not exceed 5% of the issued and outstanding Common Shares. The officers, directors, employees and consultants of the Company hold an aggregate of 11,144,361 Options as of the date of this Information Circular. See "Approval of Stock Option Plan" and Schedule "A" attached to this Information Circular for further details regarding the Option Plan, including a summary of certain recent amendments thereto. In addition to the Option Plan, the Company has adopted a DSU Plan as summarized under "Directors' Outstanding Option-based Awards and Share-based Awards".

Outstanding Share-Based Awards and Option-based Awards

The following table sets forth for each of our Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2016.

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
Sebastien Paré	Options SAR	4,500,000 1,000,000	2014-2015 2015-07-15	\$0.05 – \$0.105 \$0.06	\$0.05 – \$0.105 \$0.06	\$0.23 \$0.23	2019-2021 2020-07-15
Malcolm Macallum	Options SAR	400,000 500,000	2013-2015 2015-07-15	\$0.06 – \$0.10 \$0.06	\$0.06 – \$0.10 \$0.06	\$0.23 \$0.23	2017-2020 2020-07-15
Lawrence Tjan	Options SAR	400,000 127,500	2016 2015-2016	\$0.11 \$0.05	\$0.11 \$0.05-\$0.15	\$0.23 \$0.23	2021-06-24 2020-2021

In July of 2015, the Company established a Share Appreciation Rights ("SAR") plan for certain eligible persons, including the Company's directors, officers, employees, consultants and suppliers. The SAR plan provides incentive compensation, based on the appreciation in the value of the Common Shares to the eligible persons, thereby providing additional incentive for their efforts in promoting the continued growth and success of the business of the Company. The aggregate number of units in respect of which SARs have been granted and not yet exercised, shall not at any time exceed 10% of the aggregate number of Common Shares that are then issued and outstanding. At any time on or after that date when the trading price of a Common Share is equal to or exceeds four times the fair value of a SAR at the grant date, the Company shall be entitled to require the disposition of the vested SARs by the grantee to the Company, by the Company paying the bonus in cash to the grantee. All unvested SARs vest and can be exercised within 90-days following the announcement of a change of control, or on the expiry date if earlier.

Termination of Employment, Change in Responsibilities and Employment Contracts

On January 1, 2005, the Company entered into an employment agreement with Malcolm Macallum, the Chief Technology Officer of the Company. The agreement is for an indefinite term unless otherwise terminated pursuant to the terms of such agreement. The agreement also provides for payments of varying amounts not exceeding 18 months salary and bonus in lieu of notice if the executive officer is terminated without cause from his position at any time during the term of the agreement. Upon termination resulting from a change of control of the Company, the executive officer will be entitled to receive payments equaling 18 months salary and bonus. The agreement also provides that all outstanding stock options held by Mr. Macallum will immediately vest upon termination resulting from a change in control of the Company. The amounts payable to Mr. Macallum pursuant to his current employment contract and the value of the in-the-money Options as at December 31, 2016 is equal to a maximum of approximately \$367,750. Pursuant to the terms of his employment agreement, Mr. Macallum has agreed to refrain from competing with and interfering in the business of the Company for a period of one year subsequent to his termination for any reason.

On August 1, 2014, the Company entered into an employment agreement with Sebastien Paré, the current President and Chief Executive Officer of the Company. The agreement is for an indefinite term unless otherwise terminated pursuant to the terms of such agreement. The agreement also provides for payments of varying amounts not exceeding 24 months' salary and bonus in lieu of notice if the executive officer is terminated without cause from his position at any time during the term of the agreement. Upon termination resulting from a change of control of the Company, the executive officer will be entitled to receive payments equaling 24 months' salary and bonus. The agreement also provides that all outstanding stock options held by Mr. Paré will immediately vest upon termination resulting from a change in control of the Company. The amounts payable to Mr. Paré pursuant to his current employment contract and the value of the in-the-money Options as at December 31, 2016 is equal to a maximum of approximately \$1,209,500. Pursuant to the terms of his employment agreement, Mr. Paré has agreed to refrain from competing with and interfering in the business of the Company for a period of one year subsequent to his termination for any reason.

Short Selling and Restrictions

In accordance with the Company's Disclosure, Confidentiality and Trading Policy, directors and officers are prohibited from knowingly selling, directly or indirectly, Common Shares or other security of the Company if such person selling such security does not own or has not fully paid for the security to be sold. Directors and officers shall not, directly or indirectly, buy or sell a call or put in respect of Common Shares or other security of the Company. Notwithstanding these prohibitions, directors and officers may sell Common Shares which such person does not own if such person owns another security convertible into Common Shares or an option or right to acquire Common Shares sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the Common Shares so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

Compensation Consultant or Advisor

At no time in the Company's previous two completed financial years has a compensation consultant or advisor been retained by the Company to assist the Board of Directors or the Committee to determine the compensation of the directors or executive officers of the Company.

Compensation of Directors

The following table provides a summary of compensation earned during the financial year ended December 31, 2016 by our directors other than directors who are also Named Executive Officers.

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
Larry Taylor	DSU	66,666	\$0.105	N/A	N/A	N/A	N/A
George Kempff	DSU	66,666	\$0.105	N/A	N/A	N/A	N/A
Harvey Gordon	DSU	66,666	\$0.105	N/A	N/A	N/A	N/A
Joseph Quarin	Options	500,000	\$0.21	N/A	N/A	N/A	N/A

Directors' Outstanding Option-based Awards and Share-based Awards

On March 17, 2015, the board of directors approved the adoption by the Company of a deferred share unit plan (the "**DSU Plan**"). The DSU Plan was designed to attract and retain talented individuals to serve as members of its board of directors and to promote the alignment of interests between such individuals and the Shareholders. The Compensation Committee is responsible for the administration of the DSU Plan. The DSU Plan was approved by Shareholders on June 17, 2015.

Benefits of the DSU Plan

The DSU Plan is designed to be a long term incentive for the directors of the Company. The Board of Directors believes that the DSU Plan has the following primary benefits:

- (a) current practice in corporate governance favours the use of deferred share units (the "DSUs") over options for directors because the value of the DSUs can only be realized upon the director ceasing to serve the Company, which helps to ensure that directors act in the long term interests of the Company; and
- (b) the DSUs provide the Compensation Committee with an additional compensation tool which can be used to help retain and attract highly qualified directors and further align the interests of directors with the interest of shareholders.

Nature and Administration of DSU Plan

Only non-employee directors ("**Eligible Directors**") are eligible to participate in the DSU Plan. A DSU issued under the DSU Plan is a "bookkeeping" entry representing a future right to receive one Common Share or its equivalent fair market value in cash at the time of the holder's retirement, death or the holder otherwise ceasing to be an Eligible Director. Under the DSU Plan, the Compensation Committee may, from time to time in its sole discretion, provide for the grant of DSUs to an Eligible Director and upon such grant, such Eligible Director shall become a participant ("**Participant**") in the DSU Plan; however, participation in the DSU Plan is optional. Each DSU awarded by the Company is initially equal to the value of a Common Share at the time the DSU is awarded. The value of the DSU increases or decreases as the price of the Common Shares increases or decreases, thus promoting alignment of the interest of the Eligible Directors with the shareholders. DSUs are fully vested upon being granted and credited to an Eligible Director's account.

On the "Distribution Date" (being the date upon which an Eligible Director ceases service as a director of, and is not at that time an employee or officer of, the Company or an entity controlled by the Company, or such later date that the Eligible Director may elect (not to be later than December 1 of the calendar year following the calendar year in which the Eligible Director ceases such services to the Company)), the Eligible Director shall have the right to receive, at the sole election of the Company, either: (i) a cash payment equal in value to the number of DSUs recorded in the Eligible Director's account multiplied by the "Distribution Value" of a Common Share (being the volume weighted average trading price of the Common Shares on the Exchange for the five (5) trading days immediately preceding the applicable date), less all applicable withholdings; or (ii) one Common Share multiplied by the number of DSUs recorded in the Eligible Director's account, issued from treasury and subject to the receipt of any necessary approvals. Further, in lieu of issuing Common Shares in this respect, the Company may make the foregoing cash payment to a broker designated by the Compensation Committee, and the broker shall, as soon as practicable thereafter use all of the cash to purchase Common Shares on a securities exchange on which the Common Shares are voted and traded. The broker shall deliver to Eligible Director such Common Shares purchased as soon as practicable.

Except as specifically provided in the DSU Plan, DSUs are non-transferable by Eligible Directors.

Certificates are not issued to evidence DSUs, rather the Compensation Committee maintains a "Deferred Share Unit Account" for each participant and credits such account, as determined from time to time.

Limitations Under the DSU Plan

Notwithstanding any other provision of the DSU Plan:

- (a) the maximum number of Common Shares issuable pursuant to outstanding DSUs at any time is limited to 2,000,000 Common Shares, provided that: (i) the maximum number of Common Shares issuable pursuant to outstanding DSUs and all other Security Based Compensation Arrangements (as defined in the DSU Plan), shall not exceed 10% of the Common Shares outstanding from time to time; and (ii) upon any DSU granted under the DSU Plan having Payment Shares (as defined in the DSU Plan) issued thereunder pursuant to the terms of the DSU Plan, or upon expiring or terminating for any reason in accordance with

- the terms of the DSU Plan without Payment Shares being issued in respect thereof, such number of exercised, expired or terminated DSU's shall not be available for granting under the DSU Plan;
- (b) the number of Common Shares reserved for issuance to any one Participant under all Security Based Compensation Arrangements will not exceed 5% of the issued and outstanding Common Shares;
 - (c) the number of Common Shares issuable to insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares;
 - (d) the number of Common Shares issued to insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares;
 - (e) the number of DSUs granted to any one Participant in any 12 month period shall not exceed 1% of the issued and outstanding Common Shares, as calculated at the date the DSU's are granted; and
 - (f) the number of DSUs granted to insiders, in aggregate, in any 12 month period shall not exceed 2% of the issued and outstanding Common Shares, as calculated at the date the DSU's are granted.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Company, nominees for director, any Shareholder who beneficially owns more than 10% of the Common Shares, or any other Informed Person (as such term is defined in National Instrument 51-102) 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 or any of its subsidiaries.

Certain of the Company's directors are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Alberta), directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the Company's best interests.

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

Except as otherwise set forth elsewhere in this Information Circular (including the amendments to the Option Plan as described herein), no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Company's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to NI 58-101. The requirements of Form 58-101F2 are set out below in italics:

Board of Directors

Disclose the identity of directors who are independent.

The Board of Directors' determination as to each director's independence is made in accordance with the guidelines set forth in NI 58-101. The Board of Directors considers George Kempff, Larry Taylor, Harvey Gordon and Joseph Quarin to be independent directors.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

The Board of Directors does not consider Sebastian Paré to be an independent director by virtue of being the current President and Chief Executive Officer of the Company. Currently, the majority of directors of the Company are considered independent.

Directorships

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

None of the current directors of the Company are presently directors of other reporting issuers.

Orientation and Continuing Education

Briefly describe what measures the Board of Directors takes to orient new directors and briefly describe what measures, if any, the board takes to provide continuing education for its directors.

Pursuant to the Board of Directors' mandate, it is the responsibility of the Board of Directors to provide an orientation program for new directors and ongoing educational opportunities for all directors. The Board of Directors will from time to time arrange for presentations by key personnel or qualified outside consultants concerning topics relating to the Company's business, changes to the Company's legal and regulatory framework and corporate and Board of Directors governance. The Board of Directors also encourages directors to attend external continuing education programs designed for directors of public companies and offers some financial support in this regard.

Ethical Business Conduct

Describe what steps the Board of Directors takes to encourage and promote a culture of ethical business conduct.

We have adopted a written Code of Business Conduct and Ethics (the "Code") which governs the behaviour of our directors, officers and employees. The Code also includes provisions required by the Exchange that are applicable to our Chief Executive Officer, Chief Financial Officer and other senior officers. The Board of Directors, through the Nomination and Corporate Governance Committee, oversees compliance with the Code. Any deviations from or amendments to the Code will be publicly disclosed. Directors, officers and employees are required to provide a written acknowledgement to the Company that they have read and understand the Code. The Code is accessible on our investor relations web page at www.viqsolutions.com and on SEDAR at www.sedar.com.

The Board of Directors has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Company are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

Nomination of Directors

Describe the process by which the Board of Directors identifies new candidates for Board of Directors nomination.

The Board of Directors has a Compensation Committee composed entirely of independent directors. Annually, the Compensation Committee assesses the size of the Board of Directors, the competencies, skills and personal qualities required of the Board of Directors as a whole and directors to possess in order to add value to the Company, and the competencies, skills and personal qualities of existing directors. Based on this assessment, the Compensation Committee will consider whether to recommend any changes to the composition of the Board of Directors. When required, the Compensation Committee will evaluate potential candidates for director having regard to the background, employment and qualifications of possible candidates and will consider whether the candidate's competencies, skills and personal qualities are aligned with the Company's needs.

Compensation

Describe the process by which the board determines the compensation for the issuer's directors and officers.

The process by which the Board of Directors determines the compensation of the Company's directors is as follows:

The Compensation Committee has the responsibility, among other things, for making recommendations to the Board of directors in respect of directors' compensation. In arriving at its recommendations, the Compensation Committee conducts a periodic review of directors' compensation and compensation data for directors of reporting issuers of comparative size to the Company.

The compensation of the Board of Directors is described in this information circular – proxy statement under the heading "*Statement of Executive Compensation – Directors' Compensation*".

The process by which the Board of Directors determines the compensation of the Company's officers is described in this Information Circular – Proxy Statement under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

Other Board of Directors Committees

If the Board of Directors has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Except as described below, the Board of Directors has no standing committees other than the Audit Committee and the Compensation Committee.

Pursuant to its Disclosure Policy, the Company formed a Disclosure Committee in January 2006, which committee is comprised of our President and Chief Executive Officer and our Chief Financial Officer. The primary purpose of the Disclosure Committee is to establish, maintain, review and evaluate our disclosure controls and procedures, consider the materiality of information and ensure compliance with disclosure obligations on a timely basis. The Disclosure Committee also carries out the necessary due diligence to ensure that all material information that could be required to be disclosed is accumulated, verified and communicated to the committee, senior management and our Board of Directors in a timely manner.

Assessments

Disclose what steps, if any, the Board of Directors takes to satisfy itself that the Board of Directors, its committees, and its individual directors are performing effectively.

The Board of Directors is responsible for ensuring that the Board of Directors, its committees and each individual director are regularly assessed regarding their respective effectiveness and contribution. An assessment will consider, in the case of the Board of Directors or a Board of Directors committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board of Directors.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate and Terms of Reference

The Audit Committee of the Board of Directors (the "**Audit Committee**") is a committee established for the purpose of overseeing the accounting and financial reporting process of the Company and annual external audits of the consolidated financial statements. The mandate and responsibilities of the Audit Committee (the "**Mandate**") is attached hereto as Schedule "E" and is also filed on our investor relations web page at www.viqsolutions.com and on SEDAR at www.sedar.com.

Composition of the Audit Committee

The members of the Audit Committee, being Messrs. Kempff (Chair), Taylor, Gordon, and Quarin, are independent (in accordance with National Instrument 52-110 *Audit Committees* ("NI 52-110")).

In addition, the members of the Audit Committee have education and experience relevant to the performance of their responsibilities as an Audit Committee member and are all considered "financially literate" pursuant to NI 52-110. Their education and experience of the members of the Audit Committee is as follows:

George Kempff is a Certified Management Accountant. Mr. Kempff has served as Vice President, Finance, for Stuart Energy Systems Corporation prior to and during their acquisition by Hydrogenics Corporation. Mr. Kempff formerly held the position of Vice President and Chief Financial Officer for ZoomerMedia Limited. Mr. Kempff has gained valuable corporate accounting and control experience with "best-practice" companies such as Bell Canada and Levi Strauss and is financially literate.

Larry Taylor is a Certified Management Accountant and a Certified Management Consultant. Mr. Taylor has held senior executive positions with several companies including National Money Mart, Travelex Americas and Cap Gemini Ernst & Young Canada Inc. Mr. Taylor is financially literate.

Harvey Gordon has previously held key senior executive positions with several industry leading software and service firms, including Algorithmics Inc., Changepoint Corporation, Infonet Services Corporation and Magic Lantern Group. Mr. Gordon is financially literate.

Joe Quarin was Chief Executive Officer of Progressive Waste Solutions Ltd. Prior to joining BFI Canada, predecessor to Progressive, in 2000, Mr. Quarin developed his finance and business management skills at Edgestone Capital Partners, KPMG Corporate Finance, Deloitte and Arthur Andersen. Mr. Quarin's experience includes corporate strategy and capital allocation, capital structure and financing growth, North American capital markets, regulatory reporting and disclosures, investor relations and liaising with institutional shareholders. Mr. Quarin is financially literate.

Pre-Approval of Policies and Procedures

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

External Auditor Service Fees

The following table discloses fees billed to us by our external auditors.

Type of Service Provided	2016	2015
Audit Fees ⁽¹⁾	\$60,000	\$80,000
Audit-related Fees ⁽²⁾	\$5,600	\$3,000
Tax Fees ⁽³⁾	\$10,000	\$5,000
All Other Fees ⁽⁴⁾	Nil	\$40,000
Total	\$75,600	\$133,000

Note:

- "Audit Fees" include the aggregate fees billed by the Company's external auditor for professional services rendered by the external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.
- "Audit-Related Fees" include the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above and include the review of the Company's Q1, Q2, and Q3 financial statements.
- "Tax Fees" include the aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning and include corporate tax returns, preparation of SR&ED returns (\$2,500), and tax compliance work.
- "All Other Fees" include the aggregate fees billed for products and services provided by the issuer's external auditor, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" above and include administrative fees.

Exemption

As the Company is listed on the Exchange, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. The Company is compliant with Part 3 but relies on the exemption for Part 5 of NI 52-110.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information respecting the Company is available on SEDAR at www.sedar.com. Financial information respecting the Company is provided in the Company's comparative financial statements and management's discussion and

analysis for its most recently completed financial year. Security holders can access this information on SEDAR or by request to the Chief Financial Officer of the Company at the following address:

VIQ Solutions Inc.

302-100 Allstate Parkway

Markham, Ontario

L3R 6H3

(905) 948-8266

SCHEDULE "A"
VIQ SOLUTIONS INC.
STOCK OPTION PLAN

1. Purpose of Plan

The purpose of this plan (the "**VIQ Solutions Stock Option Plan**") is to develop the interest of Directors, officers, Employees and Consultants of VIQ Solutions Inc. and its subsidiaries (collectively, the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The VIQ Solutions Stock Option Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of Directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors of the Corporation.

3. Granting of Options

The Committee may from time to time designate bona fide Directors, officers, Employees and Consultants of the Corporation (or in each case their personal holding companies) (collectively, the "**Optionees**"), to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted, and the number of Common Shares to be optioned to each, provided that:

- (a) the total number of Common Shares issuable pursuant to the VIQ Solutions Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares of the Corporation outstanding, subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the corporation is subject, including the TSX Venture Exchange (the "**TSXV**");
- (b) the number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- (c) the aggregate number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to any one Consultant may not exceed 2% of the Outstanding Common Shares;
- (d) the aggregate number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to persons employed to provide conducting Investor Relations Activities may not exceed 2% of the Outstanding Common Shares;
- (e) the maximum number of Common Shares reserved for issuance on exercise of Options granted to Insiders at any time may not exceed 10% of the number of Outstanding Common Shares;
- (f) the maximum number of Common Shares issuable on exercise of Options granted to Insiders within a 12 month period, shall not exceed 10% of the number of Outstanding Common Shares; and
- (g) the maximum number of Common Shares which may be issued on exercise of Options to any one Optionee and the Associates of such Insider, within a 12 month period, may not exceed 5% of the number of Outstanding Common Shares;

provided that for the purposes of paragraphs (e), (f) and (g) above, an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Common Shares issuable to Insiders. The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this VIQ Solutions Stock Option Plan that are cancelled, terminated or expired in accordance with terms of the VIQ Solutions Stock Option Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this VIQ Solutions Stock Option Plan.

4. Vesting

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, provided that vesting provisions shall be included in all grants of Options that provide that the Options shall vest no sooner than one third on the date of grant and one third on each of the second and third anniversaries of the date of grant, subject to any revisions in such vesting requirements that may be mandated from time to time, by TSXV policy.

Notwithstanding any other provision in this VIQ Solutions Stock Option Plan, and subject to terms of any employment agreements between the Corporation and any officers of the Corporation, vesting of Options shall accelerate and Options shall be exercisable (whether or not then vested) immediately prior to the time that a Change of Control takes place and as otherwise provided herein. Further the Committee may, at its sole discretion at any time or in the option agreement in respect of any Options granted, accelerate or provide for the acceleration of vesting of Options previously granted. All Options shall terminate on the 90th day after the date a Change in Control takes place or at such earlier time as may be established by the Board of Directors of the Corporation, in its absolute discretion, prior to the time such Change in Control takes place.

5. Exercise Price

The exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Common Shares, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV.

In the event that the Corporation proposes to reduce the Exercise Price of Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, said amendment shall not be effective until disinterested shareholder approval has been obtained in respect of said Exercise Price reduction.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the VIQ Solutions Stock Option Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, but subject to the rules of any stock exchange or other regulatory body having jurisdiction (presently restricted to five years). Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable. In addition, each Option shall provide that:

- (a) subject to subparagraph 6(b) below, upon the death of the Optionee, the Option shall terminate on the date of death, unless the Optionee was a Director, officer, Employee or Consultant of the Corporation at least one year following the date of grant of the Options in question, in which case the options shall terminate on the date that is six months following the date of death of the Optionee;
- (b) if the Optionee shall no longer be a Director of, be in the employ of, or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period not in excess of 90 days prescribed by the Committee at the time of grant or such later date as subsequently determined by the Committee provided such later date does not exceed one (1) year in duration, following the date that the Optionee ceases to be a Director or Employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be; and
- (c) if the Option is granted to an Optionee who is engaged in Investor Relations Activities on behalf of the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period not in excess of 30 days prescribed by the Committee at the time of grant, following the date that the Optionee ceases to provide ongoing investor relations activities;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the date as determined above shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Director or Employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

If the normal expiry date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period.

7. Exercise of Option

Subject to the provisions of the VIQ Solutions Stock Option Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased.

8. Mergers, Amalgamation and Sale

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another corporation or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation, the Corporation shall, subject to this Section 8, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares of the continuing successor corporation in such merger or amalgamation or the securities or shares of the purchasing corporation as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

9. Termination of Option in the Event of Take-Over Bid

In the event a take-over bid (as defined in the *Securities Act* (Alberta), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement or successor provisions) shall be made for the Common Shares of the Corporation, the Corporation may in the agreement providing for the grant of Options herein provide that the Corporation may require the disposition of the

Optionee and the termination of any obligations of the Corporation to the Optionee in respect of any Options granted by paying to the Optionee in cash the difference between the exercise price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to approval by the stock exchanges upon which the Common Shares are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

10. Alterations in Common Shares

Appropriate adjustments in the number of Common Shares optioned and in the Exercise Price, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Common Shares of the Corporation resulting subsequent to the approval of the VIQ Solutions Stock Option Plan by the Committee from subdivisions, consolidations or reclassifications of the Common Shares of the Corporation, the payment of stock dividends by the Corporation, or other relevant changes in the capital of the Corporation.

11. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this VIQ Solutions Stock Option Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Corporation to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this VIQ Solutions Stock Option Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

12. Regulatory Authorities Approvals

The VIQ Solutions Stock Option Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

13. Amendment or Discontinuance of the VIQ Solutions Stock Option Plan

The Committee may amend or discontinue the VIQ Solutions Stock Option Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the VIQ Solutions Stock Option Plan, and provided further that any amendment to the VIQ Solutions Stock Option Plan will require the prior consent of the TSXV, or such other or additional stock exchange on which the Common Shares are listed for trading.

14. Hold Period

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSXV or any other regulatory authority, Options granted under the VIQ Solutions Stock Option Plan and Common Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Common Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSXV or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

15. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

16. Prior Plans

This VIQ Solutions Stock Option Plan shall come into force and effect on ratification approval by shareholders of the Corporation and approval of the TSXV and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

17. Tax Withholding

The Corporation shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Corporation, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the VIQ Solutions Stock Option Plan, including the grant or exercise of Options granted under the VIQ Solutions Stock Option Plan. With respect to required withholding, the Corporation shall have the irrevocable right to, and the Optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionee (whether arising pursuant to the Optionee's relationship as a Director, officer or Employee of the Corporation or as a result of the Optionee providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements satisfactory to the Optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the

withholding requirement, in whole or in part, by withholding such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs. The Optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares.

18. **No Guarantees Regarding Tax Treatment**

Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the VIQ Solutions Stock Option Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Board of Directors and the Corporation make no guarantees to any person regarding the tax treatment of Options or payments made under the VIQ Solutions Stock Option Plan and none of the Corporation, nor any of its Employees or representatives shall have any liability to an Optionee with respect thereto.

19. **Definitions**

In this VIQ Solutions Stock Option Plan, capitalized terms used herein that are not otherwise defined herein shall have the meaning ascribed thereto in the Corporate Finance Manual of the TSXV, and in particular, in policies 1.1 and 4.4 of said Corporate Finance Manual. In addition:

- (a) **"Blackout Period"** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (b) **"Change of Control"** shall be deemed to have taken place if any of the following shall have occurred:
 - (i) the purchase or acquisition, without the prior consent of the Board of Directors of the Corporation, of any Voting Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 30% of the votes attaching to all Voting Shares; or
 - (ii) (A) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation, or (B) the purchase or acquisition, with or without the prior consent of the Board of Directors of the Corporation, of any Voting Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 50% of the votes attaching to all Voting Shares, and immediately following the event described in paragraphs (A) and (B) above, as the case may be, the directors of the Corporation immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
 - (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board of Directors of the Corporation, as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or
 - (iv) the liquidation, dissolution or winding-up of the Corporation; or
 - (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation; or
 - (vi) a determination by the Board of Directors of the Corporation that there has been a change, whether by way of a change in the holding of the Voting Shares of the Corporation or otherwise, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;
- (c) **"Convertible Securities"** means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (d) **"Holder"** means a person, a group of persons or persons acting jointly or in concert or persons associated or affiliated, within the meaning of the Securities Act (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;
- (e) **"Outstanding Common Shares"** at the time of any share issuance or grant of Options means the aggregate number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV; and

(f) **"Voting Shares"** means any securities of the Corporation ordinarily carrying the right to vote at elections of directors of the Corporation.

20. **Effective Date**

This VIQ Solutions Stock Option Plan (as amended from time to time) is effective on February 25, 2011.

SCHEDULE "B"
VIQ SOLUTIONS INC.
CONTINUANCE RESOLUTION

BE AND IT RESOLVED AS A SPECIAL RESOLUTION OF SHAREHOLDERS THAT:

1. The Company be authorized to make application to the Registrar of Corporations of Alberta for the issuance of a consent to file Articles of Continuance with the Director of the *Business Corporations Act* (Ontario) (the "**OBCA**") to continue the Company as if it had been incorporated under the OBCA, and to make application to the Registrar of Corporations of Alberta for the issuance of a Certificate of Discontinuance.
2. The Company be authorized to file Articles of Continuance with the Director of the OBCA to continue the Company under the OBCA.
3. Subject to such continuance and the issue of such Certificate of Discontinuance and without affecting the validity of the Company and existence of the Company by or under its Articles of Incorporation and Articles of Amendment and of any act done thereunder, its Articles of Incorporation and Articles of Amendment are hereby amended to make all changes necessary to conform to the requirements of the OBCA.
4. Any one officer or director of the Company is authorized and directed to do and perform all things, including the execution of documents, which may be necessary or desirable to give effect to the foregoing resolution.
5. Notwithstanding that this special resolution has been duly passed by the Shareholders of the Company, the directors of the Company be, and they hereby are, authorized and empowered to revoke this special resolution at any time before it is acted on and to determine not to proceed with the continuance of the Company under the OBCA without further approval of the Shareholders of the Company.

SCHEDULE "C"
VIQ SOLUTIONS INC.
SECTION 191 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2)
- (a) by the corporation, or
 - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),
- to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.
- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

within 10 days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and examinations for discovery,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

SCHEDULE "D"
VIQ SOLUTIONS INC.
BY-LAW NO. 1
A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE BUSINESS AND AFFAIRS OF
VIQ SOLUTIONS INC.,
A CORPORATION SUBJECT TO THE
BUSINESS CORPORATIONS ACT (ONTARIO)

SECTION 1 – INTERPRETATION

1.1 Definitions

In the By-laws of the Corporation, unless the context otherwise requires:

- (1) “**Act**” means the Business Corporations Act, R.S.O. 1990, c. B.16, or any statute that may be substituted for it, as from time to time amended.
- (2) “**appoint**” includes “elect” and vice versa.
- (3) “**Articles**” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization and articles of revival, letters patent, supplementary letters patent and a special Act of the Corporation.
- (4) “**Board**” means the board of directors of the Corporation.
- (5) “**By-laws**” means these by-laws and all other by-laws of the Corporation from time to time in force and effect.
- (6) “**Cheque**” includes a draft.
- (7) “**Corporation**” means VIQ Solutions Inc. in its English form.
- (8) “**Defaulting Shareholder**” means a shareholder of the Corporation who defaults in the payment of any Shareholder Debt when the same becomes due and payable.
- (9) “**Director**” means a member of the Board.
- (10) “**Liened Shares**” means the whole or any part of the shares registered in the name of a Defaulting Shareholder.
- (11) “**meeting of shareholders**” means an annual meeting of shareholders and a special meeting of shareholders.
- (12) “**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006 (Ontario)* as from time to time amended.
- (13) “**recorded address**” means:
 - (a) in the case of a shareholder, his or her address as recorded in the securities register;
 - (b) in the case of joint shareholders, the address appearing in the securities register in respect of the joint holding or the first address so appearing if there is more than one;
 - (c) in the case of an officer, auditor or member of a committee of the Board, his or her latest address as recorded in the records of the Corporation; and
 - (d) in the case of a Director, his or her latest address as recorded in the most recent notice filed under the *Corporations Information Act (Ontario)*.
- (14) “**resident Canadian**” means an individual who is:
 - (a) a Canadian citizen ordinarily resident in Canada;
 - (b) a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons as defined in the regulations to the Act; or
 - (c) a permanent resident within the meaning of the *Immigration and Refugee Protection Act (Canada)* and ordinarily resident in Canada.
- (15) “**Shareholder Debt**” means any principal or interest due to the Corporation in respect of any indebtedness owing by the holder of any class or series of shares in the Corporation, including an amount unpaid in respect of a share issued by a body corporate on the date it was continued under the Act.

(16) “**special meeting of shareholders**” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

(17) “**Unanimous Shareholder Agreement**” means a lawful written agreement among all of the shareholders of the Corporation or among all such shareholders and one or more persons who are not shareholders, or a written declaration of the registered holder of all of the issued shares of the Corporation, that restricts in whole or in part the powers of the Board to manage or supervise the management of the business and affairs of the Corporation, as from time to time amended.

1.2 Other Definitions

Other than as specified above, words and expressions defined in the Act have the same meanings when used herein. Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and “including” means including, without limitation.

SECTION 2 – GENERAL BUSINESS

2.1 Registered Office

The registered office of the Corporation shall be in the municipality or geographic township within Ontario initially specified in its Articles and thereafter as the shareholders may from time to time determine by special resolution and at such location therein as the Board may from time to time determine.

2.2 Corporate Seal

The Corporation may but need not have a corporate seal and, if one is adopted, it may be changed from time to time by resolution of the Board.

2.3 Financial Year

The Board may, by resolution, fix the financial year end of the Corporation and may from time to time, by resolution, change the financial year end of the Corporation.

2.4 Execution of Instruments

(1) Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two Directors or officers of the Corporation.

(2) In addition, the Board may from time to time authorize any other person or persons to sign any particular instruments.

(3) The secretary, or any other officer or any Director, may sign certificates and similar instruments (other than share certificates) on the Corporation’s behalf with respect to any factual matters relating to the Corporation’s business and affairs, including certificates verifying copies of the Articles, By-laws, resolutions and minutes of meetings of the Corporation. Any signing officer may affix the corporate seal to any instrument requiring the same.

(4) The signature of any person authorized to sign on behalf of the Corporation may, if specifically authorized by resolution of the Board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced or may be an electronic signature. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

2.5 Banking Arrangements

The banking business of the Corporation, including the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies, credit unions or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe.

2.6 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation under Section 2.4 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the Board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.7 Divisions

The Board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including types of business or operations, geographical territories, product lines or goods or services, as may be considered appropriate in each case. In connection with any such division, the Board or, subject to any direction by the Board, the chief executive officer may authorize from time to time, upon such basis as may be considered appropriate in each case:

- (a) **Subdivision and Consolidation.** the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;
- (b) **Name.** the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation, provided that the Corporation shall set out both its corporate name and the name of its division or sub-unit in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (c) **Officers.** the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any of such officers so appointed, provided that any such officers shall not, as such, be officers of the Corporation.

SECTION 3 – BORROWING AND SECURITY

3.1 Borrowing Power

(1) Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles and any Unanimous Shareholder Agreement, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other debt obligations or guarantees of the Corporation, whether secured or unsecured;
- (c) give, directly or indirectly, financial assistance to any person by means of a loan or a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including accounts, rights, powers, franchises and undertakings to secure any such bonds, debentures, notes or other debt obligations or guarantees or any other present or future indebtedness, liability or obligation of the Corporation.

(2) Nothing in Section 3.1(1) limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.2 Delegation

Subject to the Act, the Articles and any Unanimous Shareholder Agreement, the Board may from time to time delegate to a committee of the Board, a Director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred on the Board by Section 3.1 or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

SECTION 4 – DIRECTORS

4.1 Duties of Directors

Subject to any Unanimous Shareholder Agreement, the Board shall manage or supervise the management of the business and affairs of the Corporation.

4.2 Number of Directors

Until changed in accordance with the Act, the Board shall consist of not fewer than the minimum number and not more than the maximum number of directors as set out in the Articles.

4.3 Qualification

- (1) No person shall be qualified for election or appointment as a Director if he or she:
 - (a) is less than 18 years of age;
 - (b) has been found under the *Substitute Decisions Act*, 1992 (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property or has been found to be incapable by a court in Canada or elsewhere;
 - (c) is not an individual; or
 - (d) has the status of a bankrupt.
- (2) A Director need not be a shareholder.

- (3) Not less than 25% of the Directors shall be resident Canadians.

4.4 Election and Term

- (1) Directors shall be elected by the shareholders at the first meeting of shareholders after the effective date of these By-laws and at each succeeding annual meeting at which an election of Directors is required, and shall hold office until the next annual meeting of shareholders or, if elected for an expressly stated term, for a term expiring not later than the close of the third annual meeting of shareholders following the election.
- (2) Subject to the Act, the number of Directors to be elected at any such meeting shall be the number of Directors determined from time to time by special resolution or, if a special resolution empowers the Directors to determine the number, by resolution of the Board.
- (3) The election of Directors shall be by resolution or, if demanded by a shareholder or a proxyholder, by ballot.
- (4) If an election of Directors is not held at the proper time, the incumbent Directors shall continue in office until their successors are elected.
- (5) The election or appointment of a Director is not effective unless:
- (a) the person elected or appointed consented in writing before or within 10 days after the date of the election or appointment; or
 - (b) the Director is re-elected or re-appointed so that there is no break in the Director's term of office.
- (6) If, however, the person elected or appointed as Director consents in writing after the 10-day period referred to in Section 4.4(5)(a), the election or appointment is nevertheless valid.

4.5 Removal of Directors

Subject to the Act, the shareholders may by ordinary resolution passed at an annual or special meeting of shareholders remove any Director from office, and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the Board.

4.6 Ceasing to Hold Office

- (1) A Director ceases to hold office when:
- (a) he or she dies;
 - (b) he or she is removed from office by the shareholders;
 - (c) he or she ceases to be qualified for election as a Director; or
 - (d) his or her written resignation is received by the Corporation or, if a time is specified in such resignation, at the time so specified, whichever is later.
- (2) A Director named in the Articles is not permitted to resign his or her office before the first meeting of shareholders unless at the time the resignation is to become effective a successor is elected or appointed.

4.7 Filling Vacancies

Subject to the Act and any Unanimous Shareholder Agreement, a quorum of the Board may fill a vacancy in the Board, except for a vacancy resulting from:

- (a) an increase in the number or minimum number of Directors;
- (b) a failure of the shareholders to elect the number or minimum number of Directors required to be elected at any meeting of the shareholders; or
- (c) where the Directors are empowered to determine the number of Directors, if, after such appointment, the total number of Directors would be greater than four thirds the number of Directors required to have been elected at the last annual meeting of shareholders.

4.8 Action by the Board

Subject to any Unanimous Shareholder Agreement, the Board shall exercise its powers by or pursuant to a By-law or resolution either passed at a Board meeting at which a quorum is present or consented to by the signatures of all the Directors then in office, if constituting a quorum.

4.9 Conflict of Interest

A Director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation, or request to have entered in the minutes of the Board meeting, the nature and extent of his or her interest at the time and in the manner provided by the Act. Such a Director shall not vote on any resolution to approve the same except as provided by the Act.

4.10 Remuneration and Expenses

Subject to any Unanimous Shareholder Agreement, the Directors shall be paid such remuneration for their services as the Board may from time to time determine. The Directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION 5 – BOARD MEETINGS

5.1 Meeting by Telephone or Electronic Facilities

If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board.

5.2 Place of Meetings

Board meetings may be held at the registered office of the Corporation or at any other place within or outside Ontario. In any financial year of the Corporation, a majority of the Board meetings need not be held in Canada.

5.3 Calling of Meetings

Board meetings shall be held from time to time at such time and at such place as the Board, the chair of the Board, the managing director, the president or any two Directors may determine.

5.4 Notice of Meeting

(1) Notice of the time and place of each Board meeting shall be sent in the manner provided in Section 12 to each Director:

- (a) not less than seven days before the time when the meeting is to be held if the notice is mailed; or
- (b) not less than 24 hours before the time the meeting is to be held if the notice is given personally, is delivered or is communicated by telephone or electronic means.

(2) A notice of a Board meeting need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

5.5 Waiver of Notice

A Director may in any manner or at any time waive notice of or otherwise consent to a Board meeting. Attendance of a Director at a Board meeting shall constitute a waiver of notice of that meeting except where a Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been properly called.

5.6 First Meeting of New Board

As long as a quorum of Directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

5.7 Adjourned Meeting

Notice of an adjourned Board meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.8 Regular Meetings

The Board may appoint a day or days in any month or months for regular Board meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

5.9 Chair and Secretary

The chair of any Board meeting shall be the first mentioned of such of the following officers as have been appointed and who is a Director and is present at the meeting: chair of the Board; managing director; or president. If no such officer is present, the Directors present shall choose one of their number to be chair. The secretary of the Corporation shall act as secretary of any Board meeting, and, if the secretary of the Corporation is absent, the chair of the meeting shall appoint a person who need not be a Director to act as secretary of the meeting.

5.10 Quorum

Subject to any Unanimous Shareholder Agreement, a majority of the Directors constitutes a quorum at a Board meeting.

5.11 Votes to Govern

(1) Subject to any Unanimous Shareholder Agreement, at all Board meetings, every question shall be decided by a majority of the votes cast on the question.

(2) Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

5.12 Casting Vote

Subject to any Unanimous Shareholder Agreement, in case of an equality of votes at a Board meeting, the chair of the meeting shall be entitled to a second or casting vote.

5.13 Resolution in Lieu of Meeting

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a Board meeting, is as valid as if it had been passed at a Board meeting.

5.14 One Director Meeting

Where the Board consists of only one Director, that Director may constitute a meeting.

SECTION 6 – COMMITTEES

6.1 Committees of the Board

The Board may appoint from their number one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board, except powers to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the Directors or in the office of auditor or appoint or remove any of the chief executive officers, however designated, the chief financial officer, however designated, the chair or the president of the Corporation;
- (c) subject to the Act, issue securities except in the manner and on the terms authorized by the Directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares of the Corporation;
- (g) approve a management information circular;
- (h) approve a take-over bid circular, directors' circular or issuer bid circular;
- (i) approve any financial statements;
- (j) approve an amalgamation of the Corporation with any corporation that holds all of its issued and outstanding shares, any wholly-owned subsidiary of the Corporation or corporation all of the issued and outstanding shares of which are held by the same body corporate that holds all issued and outstanding shares in the Corporation; and
- (k) adopt, amend or repeal By-laws.

6.2 Transaction of Business

Subject to the provisions of Section 6.1, the powers of a committee of the Board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario.

6.3 Advisory Bodies

The Board may from time to time appoint such advisory bodies as it may deem advisable.

6.4 Procedure

Unless otherwise determined by the Board, each committee and advisory body shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure. To the extent that the Board or the committee does not

establish rules to regulate the procedure of the committee, the provisions of these By-laws applicable to Board meetings shall apply with all necessary modifications.

SECTION 7 – OFFICERS

7.1 Appointment

Subject to any Unanimous Shareholder Agreement, the Board may from time to time designate the offices of the Corporation and from time to time appoint a chair of the Board, managing director, president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The Board may specify the duties of and, in accordance with these By-laws and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for the chair of the Board and the managing director, an officer may but need not be a Director.

7.2 Chair of the Board

The Board may from time to time appoint a chair of the Board who shall be a Director. If appointed, the Board may assign to the chair of the Board any of the powers and duties that are by any provisions of these By-laws assigned to the managing director or to the president. The chair shall have such other powers and duties as the Board may specify.

7.3 Managing Director

The Board may from time to time appoint a managing director who shall be a Director. If appointed, the managing director shall be the chief executive officer and, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation. The managing director shall have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

7.4 President

If appointed, the president shall be the chief operating officer and, subject to the authority of the Board, shall have general supervision of the business of the Corporation. The president shall have such other powers and duties as the Board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office.

7.5 Secretary

Unless otherwise determined by the Board, the secretary shall attend and be the secretary of all meetings of the Board, shareholders and committees of the Board that he or she attends. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the Board, shareholders and committees of the Board, whether or not he or she attends such meetings. The secretary shall give or cause to be given, as and when instructed, all notices to shareholders, Directors, officers, auditors and members of committees of the Board. The secretary shall be the custodian of the seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose. The secretary shall have such other powers and duties as otherwise may be specified.

7.6 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The treasurer shall render to the Board whenever required an account of all his or her transactions as treasurer and of the financial position of the Corporation. The treasurer shall have such other powers and duties as otherwise may be specified.

7.7 Powers and Duties of Officers

The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are to be specified only by the Board) the chief executive officer may specify. The Board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act and any Unanimous Shareholder Agreement, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

7.8 Term of Office

Subject to any Unanimous Shareholder Agreement, the Board, in its discretion, may remove any officer of the Corporation. Otherwise, each officer appointed by the Board shall hold office until his or her successor is appointed or until his or her earlier resignation.

7.9 Agents and Attorneys

The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

7.10 Conflict of Interest

An officer shall disclose his or her interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 4.9.

7.11 Fidelity Bonds

The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the Board may from time to time prescribe.

SECTION 8 – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**8.1 Limitation of Liability**

Every Director and officer of the Corporation in exercising his or her powers and discharging his or her duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

8.2 Indemnity

- (1) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (2) The Corporation shall advance moneys to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 8.2(1). The individual shall repay the moneys if he or she does not fulfil the conditions of Section 8.2(3).
- (3) The Corporation shall not indemnify an individual under Sections 8.2(1) or (2) unless he or she:
 - (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the Corporation's request; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his or her conduct was lawful.
- (4) The Corporation shall also indemnify the person referred to in Section 8.2(1) in such other circumstances as the Act or law permits or requires. Nothing in these By-laws shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these By-laws.

8.3 Insurance

The Corporation may purchase and maintain such insurance for the benefit of any person referred to in Section 8.2(1) as the Board may from time to time determine.

SECTION 9 – SECURITIES**9.1 Options or Rights**

Subject to the Act, the Articles and any Unanimous Shareholder Agreement, the Board may from time to time issue or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, except that no share shall be issued until it is fully paid as provided by the Act.

9.2 Commissions

The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

9.3 Securities Register

The Corporation shall prepare and maintain, at its registered office or at any other place in Ontario designated by the Board, a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged, of each person who:
 - (i) is or has been within six years registered as a shareholder of the Corporation, the address, including the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder;
 - (ii) is or has been within six years registered as a holder of debt obligations of the Corporation, the address, including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder; or
 - (iii) is or has been within six years registered as a holder of warrants of the Corporation, other than warrants exercisable within one year from the date of issue, the address, including the street and number, if any, of every such person while a registered holder and the class or series and number of warrants registered in the name of such holder; and
- (b) the date and particulars of the issue of each security and warrant.

9.4 Register of Transfers

The Corporation shall cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer shall be set out.

9.5 Registration of Transfers

Subject to the Securities Transfer Act, 2006 (Ontario), no transfer of a share shall be registered in a securities register except on presentation of the certificate, if any, issued by the Corporation, representing the share with an endorsement which complies with the Securities Transfer Act, 2006 (Ontario) made on or delivered with it duly executed by an appropriate person as provided by the Securities Transfer Act, 2006 (Ontario), together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe, on payment of all applicable taxes and any reasonable fees prescribed by the Board, on compliance with the restrictions on issue, transfer or ownership authorized by the Articles or any Unanimous Shareholder Agreement and on satisfaction of any lien referred to in Section 9.12(1).

9.6 Transfer Agents and Registrars

The Board may from time to time, in respect of each class of securities issued by it, appoint one or more trustees, transfer or other agents to keep the securities register and the register of transfers and a registrar, trustee or agent to maintain a central securities register of issued securities and may appoint one or more persons or agents to keep branch registers, and, subject to the Act, one person may be appointed to keep the securities register, register of transfers and the records of issued securities. Such a person may be designated as transfer agent or registrar according to its functions, and one person may be designated both registrar and transfer agent. The Board may at any time terminate such appointment.

9.7 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any security as the person exclusively entitled to vote, to receive notices, to receive any dividend, interest or other payments in respect of the security, and otherwise to exercise all the rights and powers of an owner of the security.

9.8 Security Certificates

- (1) Subject to Section 9.8(2), every holder of one or more securities of the Corporation shall be entitled, at his or her option, to a security certificate, stating the number and class or series of securities held by him or her as shown in the securities register. The certificates shall be in such form as the Board may from time to time approve and need not be under the corporate seal. Unless otherwise ordered by the Board, any such certificate shall be signed manually by at least one of the Directors or officers of the Corporation.
- (2) Unless otherwise provided in the Articles, the Board may provide by resolution that all or any classes and series of shares or other securities shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate is surrendered to the Corporation.
- (3) Unless the Board otherwise determines, certificates in respect of which a transfer agent or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar.
- (4) Signatures of signing officers may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation, except that at least one Director or officer of the Corporation shall manually sign each certificate (other than a scrip certificate or a certificate representing a fractional share or a warrant or a promissory note that is not issued under a trust indenture) in the absence of a

manual signature thereon of a duly appointed transfer agent, registrar, branch transfer agent or issuing or other authenticating agent of the Corporation or trustee who certifies it in accordance with a trust indenture. A security certificate executed as aforesaid shall be valid notwithstanding that the person has ceased to be a Director or an officer of the Corporation at the date of issue of the certificate.

9.9 Replacement of Security Certificates

The Board may in its discretion (or any officer or agent designated by the Board may in his or her discretion) direct the issue of a new share or other such certificate in lieu of and on cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.10 Joint Holders

If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect of that security, and delivery of such certificate to one of those persons shall be sufficient delivery to all of them. Any one of those persons may give effectual receipts for the certificate issued in respect of it or for any dividend, interest, bonus, return of capital or other money payable or warrant issuable in respect of that security.

9.11 Deceased Holders

In the event of the death of a holder, or of one of the joint holders of any security, the Corporation shall not be required to make any entry in the securities register in respect of the death or to make any dividend, interest or other payments in respect of the security except on production of all such documents as may be required by law.

9.12 Lien for Indebtedness

(1) Except with respect to any class or series of shares listed and posted for trading on any stock exchange in or outside Canada, the Corporation shall have a lien on shares registered in the name of a Defaulting Shareholder for any Shareholder Debt.

(2) If any Defaulting Shareholder defaults in the payment due in respect of any Shareholder Debt when the same becomes due and payable and continues in default for a period of 15 days after the Corporation has given notice in writing of such default to the Defaulting Shareholder:

- (a) the Corporation may sell all or any part of the Liened Shares at a bona fide public or private sale or auction;
- (b) the terms and manner of the auction or sale shall be in the sole discretion of the Corporation;
- (c) the Corporation may accept any offer that it in its absolute discretion considers advisable upon such terms, whether for cash or credit or partly cash and partly credit, as it in its discretion considers advisable;
- (d) notice of any public or private sale or auction shall be given to the Defaulting Shareholder at least 15 days prior to the date on which such sale is held;
- (e) the proceeds of such sale shall be used and applied in descending order as follows:
 - (i) first, to the cost and expense of such sale incurred by the Corporation, including legal fees, disbursements and charges;
 - (ii) second, to reimburse the Corporation for out-of-pocket expenses incurred in connection with the sale;
 - (iii) third, for the payment in full of the Shareholder Debt and all other sums due to the Corporation by the Defaulting Shareholder; and
 - (iv) the balance, if any, to the Defaulting Shareholder;
- (f) if the proceeds of the sale are insufficient to pay the Shareholder Debt, the Defaulting Shareholder shall remain liable for any such deficiency;
- (g) the Corporation may apply any dividends or other distributions paid or payable on or in respect of the Liened Shares in repayment of the Shareholder Debt;
- (h) where the Liened Shares are redeemable pursuant to the Articles or may be repurchased at a price determined pursuant to the terms of any Unanimous Shareholder Agreement, the Corporation may redeem or repurchase all or any part of the Liened Shares and apply the redemption or repurchase price to the Shareholder Debt; and
 - (i) the Corporation may refuse to register a transfer of all or part of the Liened Shares until the Shareholder Debt is paid.

(3) In exercising one or more of the rights granted in Section 9.12(2), the Corporation shall not thereby prejudice or surrender any other rights of enforcement of its lien which may by law be available to it, or any other remedy available to the Corporation for collection of the Shareholder Debt, and the Defaulting Shareholder shall remain liable for any deficiency remaining.

SECTION 10 – DIVIDENDS AND RIGHTS

10.1 Dividends

Subject to the Act and any Unanimous Shareholder Agreement, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by the issue of fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation.

10.2 Dividend Cheques

A dividend payable in money (less any tax or other amounts required to be deducted or withheld by the Corporation) shall be paid to the order of each registered holder of the shares of the class or series in respect of which it has been declared by Cheque in lawful money of Canada at par at any branch in Canada of the Corporation's bankers for the time being or, in respect of any particular holder, by any other means agreed upon between the Corporation and such holder. The mailing of such Cheque by ordinary unregistered first class pre-paid mail addressed to a holder at his or her address as it appears in the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in such register, or the payment by such other means shall be deemed to be payment of the dividends represented thereby and payable on such date to the extent of the amount of such payment unless the Cheque is not paid upon presentation or payment by such other means is not received.

10.3 Non-receipt or Loss of Cheques

In the event of non-receipt or loss of any dividend Cheque by the person to whom it is sent, the Corporation shall issue a replacement Cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

10.4 Currency of Dividends

Dividends or other distributions payable in cash may be paid to some shareholders in Canadian currency and to other shareholders in equivalent amounts of a currency or currencies other than Canadian currency. The Board may declare dividends or other distributions in any currency or in alternative currencies and make such provisions as it deems advisable for the payment of such dividends or other distributions.

10.5 Record Date for Dividends and Rights

The Board may fix in advance a date, preceding by not more than 50 days and not less than 21 days, as the record date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before the record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to the dividend or right to subscribe is passed by the Board.

10.6 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which it has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 11 – MEETINGS OF SHAREHOLDERS

11.1 Annual Meetings

The annual meeting of shareholders shall be held at such time in each year and, subject to Section 11.4, at such place as the Board may from time to time determine, for the purpose of considering the minutes of an earlier meeting, considering the financial statements and reports required by the Act to be placed before the annual meeting, electing Directors, appointing or waiving the appointment of an auditor, fixing or authorizing the Directors to fix the remuneration payable to any such auditor and for the transaction of such other business as may properly be brought before the meeting.

11.2 Special Meetings

The Board shall have power to call a special meeting of shareholders at any time.

11.3 Meeting Held by Electronic Means

A meeting of the shareholders may be held by telephonic or electronic means. A shareholder who, through these means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting.

11.4 Place of Meetings

Meetings of shareholders shall be held at such place in or outside Ontario as the Directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located. A meeting held under Section 11.3 shall be deemed to be held at the place where the registered office of the Corporation is located.

11.5 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 12, in the case of an offering corporation, not less than 21 days and, in the case of any other corporation, not less than 10 days, but in either case, not more than 50 days before the date of the meeting to each Director, to any auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to receive notice of or vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the minutes of an earlier meeting, financial statements and auditor's report, election of directors and reappointment of the incumbent auditor or fixing or authorizing the Directors to fix the remuneration payable to such auditor shall state or be accompanied by a statement of:

- (a) the nature of the business in sufficient detail to permit the shareholders to form a reasoned judgment on it; and
- (b) the text of any special resolution or by-law to be submitted to the meeting.

11.6 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to Section 11.7, the shareholders listed shall be those registered at the close of business on that record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such a meeting shall be deemed to be a list of shareholders.

11.7 Record Date for Notice

The Board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting, and notice of any such record date shall be given not less than seven days before the record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded, and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the Directors fix the record date. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

11.8 Waiver of Notice

- (1) A meeting of shareholders may be held without notice at any time and place permitted by the Act if:
 - (a) all the shareholders entitled to vote at the meeting are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to the meeting being held; and
 - (b) the auditor and the Directors are present or waive notice of or otherwise consent to the meeting being held,

so long as the shareholders, auditor or Directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

- (2) At a meeting held under Section 11.8(1), any business may be transacted which the Corporation may transact at a meeting of shareholders.

11.9 Chair, Secretary and Scrutineers

The chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chair of the Board; managing director; president; or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

11.10 Persons Entitled to be Present

The only persons entitled to be present at a meeting of the shareholders shall be those entitled to attend or vote at the meeting, the Directors, auditor, legal counsel of the Corporation and others who, although not entitled to attend or vote, are entitled or required under any provision of the Act, the Articles, By-laws or Unanimous Shareholder Agreement to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

11.11 Quorum

Subject to any Unanimous Shareholder Agreement, a quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if, in the case of an offering corporation, two or more holders of shares carrying not less in aggregate than 5% of the votes entitled to be voted at the meeting are present in person or represented by proxy and, in the case of any other corporation, the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time after that the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

11.12 Right to Vote

Every person named in the list referred to in Section 11.6 shall be entitled to vote the shares shown on the list opposite his or her name at the meeting to which the list relates.

11.13 Proxyholders and Representatives

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, as his or her nominee to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing or have an electronic signature executed by the shareholder or his or her attorney and shall conform with the requirements of the Act. Alternatively, every shareholder which is a body corporate or other legal entity may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and that individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of the resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the meeting. Any such proxyholder or representative need not be a shareholder. In the case of a proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders of an offering corporation, the proxy ceases to be valid one year from its date.

11.14 Time for Deposit of Proxies

The Board may fix a time not exceeding 48 hours, excluding non-business days, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or its agent, and any time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted on only if, before the time so specified, it has been deposited with the Corporation or its agent specified in the notice or if, no such time having been specified in the notice, it has been received by the secretary of the Corporation or by the chair of the meeting before the time of voting.

11.15 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares, but, if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

11.16 Votes to Govern

At any meeting of shareholders, every question shall, unless otherwise required by the Articles, By-laws, any Unanimous Shareholder Agreement or by law, be determined by a majority of the votes cast on the question.

11.17 Casting Vote

Subject to any Unanimous Shareholder Agreement, in case of an equality of votes at any meeting of shareholders either on a show of hands or on a poll, the chair of the meeting shall be entitled to a second or casting vote.

11.18 Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot is required or demanded as provided. On a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken on a question, unless a ballot is required or demanded, a declaration by the chair of the meeting that the vote on the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the shareholders on the question.

11.19 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken on it, the chair may require a ballot or any person who is present and entitled to vote on the question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken, each person present shall be entitled, in respect of the shares which he or she is entitled to vote at the meeting on the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders on the question.

11.20 Adjournment

The chair at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it will not be necessary to give notice of the adjourned meeting, other than by announcement at the original meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

11.21 Resolution in Lieu of Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless, in accordance with the Act:

- (a) in the case of the resignation or removal of a Director, or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing him or her from office or the election of another person to fill the office of that Director; or
- (b) in the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations in writing are made to the Corporation by that auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.

11.22 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

SECTION 12 – NOTICES**12.1 Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations, the Articles, the By-laws, any Unanimous Shareholder Agreement or otherwise to a shareholder, Director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if mailed to him or her at his or her recorded address by prepaid, ordinary or air mail, or if sent to him or her at his or her recorded address by any telephonic or electronic means. A notice so delivered shall be deemed to have been given when it is delivered personally, and a notice so mailed shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box. A notice sent by any telephonic or electronic means shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch or through transmission of data or information through automated touch-tone telephone systems, computer networks, any other similar means or any other prescribed means. The secretary may change or cause to be changed the recorded address of any shareholder, Director, officer, auditor or member of a committee of the Board in accordance with any information believed by him or her to be reliable.

12.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of those persons shall be sufficient notice to all of them.

12.3 Computation of Time

In computing the period of days when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the period shall be deemed to begin on the day following the event that began the period and shall be deemed to end at midnight of the last day of the period, except that, if the last day of the period falls on a non-business day, the period shall end at midnight on the day next following that is not a non-business day.

12.4 Undelivered Notices

If any notice given to a shareholder pursuant to Section 12.1 is returned on three consecutive occasions because such shareholder cannot be found, the Corporation shall not be required to give any further notices to that shareholder until he or she informs the Corporation in writing of his or her new address.

12.5 Omissions and Errors

The accidental omission to give any notice to any shareholder, Director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to the notice or otherwise founded on it.

12.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of the share which has been duly given to the shareholder from whom he or she derives his or her title to the share before his or her name and address is entered on the securities register (whether the notice was given before or after the happening of the event on which he or she became so entitled) and before he or she furnished the Corporation with the proof of authority or evidence of his or her entitlement prescribed by the Act.

12.7 Waiver of Notice

Any shareholder, proxyholder or other person entitled to notice of or attend a meeting of shareholders, Director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under the Act, the regulations, the Articles, the By-laws, any Unanimous Shareholder Agreement or otherwise, and that waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of the notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of shareholders or of the Board or a committee of the Board, which may be given in any manner.

SECTION 13 – EFFECTIVE DATE

13.1 Effective Date

These By-laws shall come into force when made by the Board in accordance with the Act.

13.2 Paramountcy

In the event of any conflict between any provision of these By-laws and any provision of any Unanimous Shareholder Agreement, the provision of the Unanimous Shareholder Agreement shall prevail to the extent of the conflict, and the Directors and the shareholders shall amend these By-laws accordingly.

13.3 Repeal

All previous By-laws of the Corporation are repealed as of the coming into force of these By-laws. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or predecessor charter documents of the Corporation obtained pursuant to, any such By-laws before its repeal. All officers and persons acting under any By-laws so repealed shall continue to act as if appointed under the provisions of these By-laws, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-laws shall continue to be good and valid except to the extent inconsistent with these By-laws and until amended or repealed.

MADE by the Board the _____ day of _____, 20____.

Secretary,

SCHEDULE "E"
VIQ SOLUTIONS INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER

(I) ESTABLISHMENT OF THE AUDIT COMMITTEE

The board of directors (the "Board") of VIQ Solutions Inc. (the "Corporation") has established a committee of the Board to be called the Audit Committee (the "Committee").

(II) PURPOSE AND AUTHORITY

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board;
- serving as an independent and objective party to monitor the Corporation's financial reporting process and internal controls, the Corporation's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Corporation's policies, procedures and practices at all levels.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter. The Committee has the authority to:

- engage independent counsel and other advisors as it determines necessary or advisable to carry out its duties;
- set and pay the compensation for any advisors employed by the Committee;
- communicate directly with the external auditors; and
- delegate to individual members or subcommittees of the Committee.

(III) COMPOSITION AND MEETINGS

1. The Committee shall be comprised of three or more directors as determined by the Board. Every Committee member must be "independent" and "financially literate" as such terms are defined in applicable securities legislation. For purposes of this Charter, a Committee member is "independent" if the member has no direct or indirect material relationship with the Corporation, including a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. A Committee member is "financially literate" if he or she has 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 Corporation's financial statements. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.
2. The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.
3. The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within sixty (60) days following the end of the first three financial quarters to review, discuss and recommend for approval by the Board the unaudited financial results for the preceding quarter and the related Management's Discussion & Analysis ("MD&A") and shall meet within 120 days following the end of the fiscal year end to review, discuss and recommend for approval by the Board the audited financial results for the year and related MD&A.

4. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and independent auditors of the Corporation.
5. As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair may meet with the independent auditor and management quarterly to review the Corporation's financial statements.
6. Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
7. Meetings of the Committee shall be held from time to time and at such place as the Committee or the Chair of the Committee shall determine upon 48 hours notice to each of members. The notice period may be waived by a quorum of the Committee. Each of the Chair of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chair of the Committee call a meeting which shall be held within 48 hours of receipt of such request.
8. If requested by a member of the Committee, the independent auditor shall attend meetings of the Committee as required held during the term of office of the independent auditor.
9. The Committee shall appoint a Secretary to the Committee who need not be a director or officer of the Corporation. Minutes of meetings of the Committee shall be recorded and maintained by the Secretary to the Committee and shall be subsequently presented to the Committee for review and approval.
10. The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board. The Committee shall circulate to the Board copies of the minutes of each meeting held.

(IV) RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

1. Create an agenda for the ensuing year.
 2. Review and update this Charter at least annually, as conditions dictate.
 3. Describe briefly in the Corporation's annual report and more fully in the Corporation's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
 4. Submit the minutes of all meetings of the Committee to the Board.
- Documents/Reports Review
5. Review the Corporation's annual and interim financial statements, annual and interim MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
 6. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the preceding section, and must periodically assess the adequacy of those procedures.
 7. Review any other reports or financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
 8. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Committee.
 9. Review with financial management and the independent auditor any filings with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

Independent Auditor

10. Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, considering independence and effectiveness and recommend the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board, as the Shareholders' representative, is the independent auditor's client and that the independent auditor is required to report directly to the Committee.
11. Resolution of disagreements between management and the independent auditor regarding financial reporting.
12. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
13. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Corporation to determine their independence.
14. Review and pre-approve requests for any service engagement (in particular, non-audit services) in excess of \$15,000 annually to be performed by the independent auditor for the Corporation or its subsidiaries that is beyond the scope of the pre-approved audit engagement letter and related fees.
15. Review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
16. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the Corporation's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
17. Arrange for the independent auditor to be available to the Committee and the full Board as needed and meet regularly in private with the independent auditor.
18. Review the proposed audit scope, focus areas, timing and key decisions (e.g., materiality, reliance on internal audit) underlying the audit plan and the appropriateness and reasonableness of the proposed audit fees.
19. Receive and review an annual report from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report.

Financial Reporting Processes

20. In consultation with the independent auditor, review the integrity of the Corporation's financial reporting processes, both internal and external.
21. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
22. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

23. Establish regular and separate systems of reporting to the Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
24. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
25. Following completion of the annual audit, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit.

26. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
27. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
28. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
29. Review activities, organizational structure, and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration with the full Board.

Ethical and Legal Compliance

30. Review and update periodically a Code of Business Conduct and Ethics and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code and to review the results of confirmations and violations of such Code.
31. Review management's monitoring of the Corporation's system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
32. Review, with the Corporation's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Corporation's financial statements.
33. Review regular reports from management and others concerning the Corporation's compliance with financial related laws and regulations, such as:
 - tax and financial reporting laws and regulations;
 - legal withholdings requirements;
 - other matters for which directors face liability exposure.

Risk Management

34. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

Submission Systems and Treatment of Complaints

35. Establish procedures for: the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Hiring Policy

36. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditor of the Corporation.

General

37. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
38. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
39. Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Corporation's financial statements are in accordance with generally accepted accounting principles as these are the responsibility of management and the independent auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulation.

