

This Management Proxy Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.

PLAINTREE SYSTEMS INC.

**NOTICE OF MEETING AND
MANAGEMENT PROXY CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
THURSDAY, SEPTEMBER 11, 2014**

PLAINTREE SYSTEMS INC.
10 Didak Drive, Arnprior, ON K7S 0C3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the common shareholders (the “**Shareholders**”) of Plaintiff Systems Inc. (“**Plaintree**” or the “**Company**”) is to be held at Plaintiff’s facilities at 10 Didak Drive, Arnprior, ON K7S 0C3 on Thursday, September 11, 2014 at 2:00 p.m. (Ottawa time) for the following purposes:

- (1) receiving the Company’s audited financial statements for the fiscal year ended March 31, 2014 and the report of the auditors thereon;
- (2) electing directors of the Company for the ensuing year;
- (3) re-appointing Deloitte LLP as auditors for the ensuing year and authorizing the directors to fix their remuneration;
- (4) considering and, if deemed advisable, confirm By-Law 2014-1, made by the board of directors of the Company on July 31, 2014, being a by-law governing the business and affairs of the Company generally, which by law by its terms repeals the current By-Law 2014-1 governing the business and affairs of the Company; and
- (5) transacting such further or other business as may properly come before the Meeting and any adjournment thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting, including a full copy of By-Law 2014-1 which is attached as Appendix “B” to the Management Proxy Circular, are all further described in the Management Proxy Circular prepared by the Company for the Meeting. **Only Shareholders of record at the close of business on August 1, 2014 will be entitled to notice of and to vote at the Meeting or any adjournment thereof. A Shareholder may attend the Meeting in person or may be represented by proxy.**

Registered shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. To be effective, the enclosed proxy must be mailed or delivered so as to reach or be deposited with Computershare Investor Services Inc at 100 University Avenue, 8th Floor, South Tower, Toronto, Ontario M5J 2Y1 no later than 5:00 p.m. (Toronto time) on Tuesday, September 9, 2014 or not less than 48 hours (excluding Saturday, Sundays and holidays) before the time for holding any adjournment or adjustments of the Meeting. If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

As a Shareholder, it is very important that you read this material carefully and then vote your shares, either by proxy or in person at the Meeting. YOUR VOTE IS IMPORTANT, PLEASE PROMPTLY SUBMIT YOUR PROXY.

DATED at Ottawa, Ontario this 1st day of August, 2014.

BY ORDER OF THE BOARD

BY: (Signed) “David Watson”
Name: David Watson, President and
Chief Executive Officer

PLAINTREE SYSTEMS INC.

MANAGEMENT PROXY CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 11, 2014

This Circular and accompanying form of proxy are furnished in connection with the solicitation of proxies by and on behalf of the management of Plaintiff for use at the Meeting, at the time and place and for the purposes set out in the accompanying Notice of Meeting.

Except where otherwise indicated, the information contained in this Circular is given as of August 1, 2014.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Common Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery.

The Company has decided to use the notice and access model (“**Notice and Access**”) provided under NI 54-101 for the delivery of the meeting materials and related material to shareholders for the Meeting. Under Notice and Access, instead of receiving printed copies of the meeting materials, shareholders receive a notice with information on the date, location and purpose of the Meeting, as well as information on how they may access the meeting materials electronically.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. Forward-looking statements are statements that relate to future events or the future financial performance of Plaintiff. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although Plaintiff believes that the expectations reflected in the forward-looking statements are reasonable, Plaintiff cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, Plaintiff does not intend to update any of the forward-looking statements to conform these statements to actual results.

INFORMATION FOR UNITED STATES SHAREHOLDERS

Information concerning the properties and operations of Plaintiff included into this Circular has been prepared in accordance with Canadian standards under applicable Canadian securities laws and may not be comparable to similar information prepared under applicable United States securities laws.

The enforcement by investors of civil liabilities under United States securities laws may be affected adversely because: (i) Plaintiff exists under the laws of Canada; (ii) the officers and a majority of the directors of Plaintiff are residents of Canada; and (iii) a significant portion of the assets of the persons described above are located outside the United States.

THE SECURITIES DESCRIBED IN THIS CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR SUCH AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

INFORMATION CONTAINED IN THIS CIRCULAR

No person has been authorized to give information or to make any representation to Shareholders in connection with any matter to be dealt with at the Meeting other than those contained or incorporated by reference in this Circular and, if given or made, any such information or representation should not be relied upon in making a decision as to how to vote on any resolution or be considered to have been authorized by Plaintiffree.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

THIS CIRCULAR AND THE RESOLUTIONS CONTEMPLATED HEREIN HAVE NOT BEEN APPROVED OR DISAPPROVED BY A SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH RESOLUTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Currency

Unless otherwise indicated, all dollar amounts referred to herein are in Canadian dollars unless otherwise indicated.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the Management of Plaintiffree for use at the Meeting of the Shareholders of the Company (and any adjournment thereof) to be held on Thursday, September 11, 2014 the hour of 2:00 p.m. (Ottawa time) at the Company's facilities at 10 Didak Drive, Arnprior, Ontario K7S 0C3.

The solicitation of proxies by management of Plaintiffree will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. Plaintiffree does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that Plaintiffree has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers.

No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by Plaintiff. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation. While it is expected that the solicitation by or on behalf of Management will be primarily by mail, proxies may also be solicited personally or by telephone by the directors and/or officers of Plaintiff. All costs of solicitation will be borne by Plaintiff.

VOTING

How a Vote is Passed

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**").

Who Can Vote?

A registered shareholder, or a non-objecting beneficial owner ("**NOBO**") whose name has been provided to the Plaintiff's Transfer Agent, as at August 1, 2014, will appear on a list of shareholders prepared by the Transfer Agent for purposes of the Meeting and be entitled to attend and vote at the Meeting.

If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-Registered Shareholders" set out below.

Methods of Voting

Voting in Person at the Meeting

To vote in person at the Meeting each registered shareholder or NOBO will be required to register with the Meeting by identifying themselves as such to the scrutineer. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the Meeting.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, Plaintiff invites you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented. See "*Voting by Proxy at the Meeting*".

Voting by Proxy at the Meeting

Registered shareholders or NOBOs who do not wish to or cannot attend the Meeting in person may appoint someone else to attend the Meeting and act as their proxyholder to vote in accordance with their instructions. To do so, the registered shareholder or NOBO should sign, date and deliver the accompanying proxy, together with the power of attorney or other authority if any, under which it was signed or a notarially certified copy, to Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 so that it is received by no later than 5:00 pm (Ottawa time) on Tuesday September 9, 2014 or at least forty- eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjournment thereof. In the case of a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

Unregistered shareholders who receive the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary. See “Non-Registered Shareholders” below.

The persons named in the accompanying proxy are directors or executive officers of Plaintiff. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, THE SHAREHOLDER MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF HIS NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.** A shareholder giving a proxy has the right to attend the Meeting, or appoint someone else to attend in his or her proxy at the Meeting and the proxy submitted earlier may be revoked in the manner described above under the heading “Revocation of Proxies” below.

The persons named in the accompanying proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions thereon, and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. In the absence of such specifications, such Common Shares will be voted in favour of each of the matters referred to herein. Each such matter is described in greater detail elsewhere in this Circular.

The accompanying proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the accompanying proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

Revocation of Proxies

A shareholder who or an intermediary acting on behalf of a shareholder which has given a Proxy has the power to revoke it. A proxy given pursuant to this solicitation may be revoked pursuant to Section 148(4) of the *Canada Business Corporations Act* (“CBCA”): (i) by instrument in writing, executed by the Shareholder or by the Shareholder’s attorney authorized in writing and deposited with Computershare, 100 University Avenue, 9th Floor, South Tower, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; (ii) by delivering the revocation prior to voting to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof; or (iii) in any other manner permitted by law.

Non-Registered Holders

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP’s, RRIF’s, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements as set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The Non-Registered Holder must properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the form of proxy and insert the name of such Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting

Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These security holder materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Company or its agent has sent 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.

VOTING SHARES AND RECORD DATE

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Class A Preferred Shares. As at the date of this Circular, there were issued and outstanding 12,925,253 Common Shares, the holders of which are entitled to one vote for each share held. The Company has no other classes of voting securities. As of the date of this Circular there are 18,325 Class A Preferred Shares which are issued and outstanding. The Class A Preferred Shares are non-voting. A simple majority of the votes held by the holders of Common Shares cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote. The Board of Directors has fixed the close of business on August 1, 2014 (the “**Record Date**”) as the record date for the purpose of determining Shareholders entitled to receive a Notice of Meeting but the failure of any Shareholder to receive a Notice of Meeting does not deprive the Shareholder of a vote at the Meeting. If a person has acquired shares of the Company after the Record Date, that person is entitled to vote those shares at the Meeting upon producing properly endorsed share certificates, or otherwise establishing share ownership, and demanding the inclusion of his or her name on the list of Shareholders not later than ten (10) clear days before the date of the Meeting.

PRINCIPAL SHAREHOLDERS

As at the date of this Circular, to the knowledge of the directors and officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the Company’s Common Shares (the sole voting shares of the Company) except as follows:

Name and Address of Shareholder	Number of Common Shares	Percentage of Common Shares
Targa Group Inc. ⁽¹⁾ Ottawa, Ontario	2,524,676 ⁽²⁾	19.5%
William David Watson II ⁽³⁾ Burrits Rapids, Ontario	1,925,000 ⁽⁴⁾	14.9%
Nora Watson Merrickville, Ontario	1,575,000 ⁽⁵⁾	12.2%

- (1) Targa is a private company incorporated under the laws of Ontario. Targa is controlled by Mr. William David Watson II, the President and Chief Executive Officer of the Company and Mrs. Nora Watson, spouse of Mr. William David Watson, the Chairman and Vice President, Mergers and Acquisitions of the Company.
- (2) Does not include Common Shares held personally by Mr. William David Watson II and Nora Watson which are listed separately. Targa Electronics Systems Inc., a wholly-owned subsidiary of Targa also holds 9,000 Class A Preferred Shares of the Company.
- (3) Mr. Watson is a director and the President and Chief Executive Officer of the Company.
- (4) Also holds 5,203.75 Class A Preferred Shares of the Company.
- (5) Also holds 4,121.25 Class A Preferred shares of the Company.

As of August 1, 2014, the directors and officers of the Company beneficially own, directly or indirectly, or exercise control over 4,992,986 Common Shares, which represents 38.6% of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON AT MEETING

1. Presentation of Annual Report for Fiscal 2014

A copy of the Company's Annual Report for the year ended March 31, 2014 which includes the Company's audited consolidated financial statements for the year then ended, the report of the auditors thereon, and management's discussion and analysis, will be placed before the Meeting. Receipt at the Meeting of the auditors' report and the audited financial statements of the Company will not constitute approval or disapproval of any matters referenced therein. The Company's audited consolidated financial statements are available on SEDAR at www.sedar.com or from the Company at www.plaintree.com.

2. Appointment of Auditors

It is intended to vote the proxy solicited hereby (unless the Shareholder directs therein that its, his or her shares be withheld from voting in the appointment of auditors) to re-appoint Deloitte LLP, as auditors of the Company for the year ended March 31, 2015 and to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors' remuneration. Deloitte LLP has served as auditors of the Company and its predecessors since 1988.

3. Election of Directors

The term of office of each of the current directors expires at the Meeting. Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or with the provisions of the CBCA.

The number of directors of the Company is currently set at six (6). The persons named below will be presented for election at the Meeting as Management's nominees for the Board of Directors, and the proxyholder named in the accompanying Form of Proxy intends to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director but, if such an event should occur for any reason prior to the Meeting, the proxyholder named in the accompanying Form of Proxy reserves the right to vote for another nominee in his discretion unless the Shareholder has specified otherwise in the Form of Proxy. All of the nominees are existing directors of the Company.

The Company is required to have an Audit Committee and has constituted a Compensation and Corporate Governance Committee. Members of both committees are as set out below.

The following table sets out the names of the nominees for election as directors, the municipality in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupation, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which they exercise control or direction, as at the date hereof.

Name and Residence	Present Principal Occupation⁽¹⁾	Director Since	Number of Common Shares⁽¹⁾
William David Watson Merrickville, Ontario	Chairman of the Board of Directors of the Company and Vice President, Mergers and Acquisitions of the Company	1999	7,000 ⁽²⁾
William David Watson II⁽⁵⁾ Burrits Rapids, Ontario	Chief Executive Officer and President of the Company	1999	4,449,676 ⁽³⁾
Robert E. Shea⁽⁶⁾ Boston, Massachusetts	Chairman of Shea Financial Group	2000	534,931 ⁽⁴⁾
Girvan L. Patterson⁽⁵⁾⁽⁶⁾ Ottawa, Ontario	President, GaN Systems Inc	2000	1,800
Jerry S. Vickers⁽⁵⁾⁽⁶⁾ Toronto, Ontario	Financial/Business Consultant	2003	-
Hon. John Buchanan, P.C., Q.C. Halifax, Nova Scotia	Former Senator and Lawyer	2003	-

- (1) The information has been furnished by the respective directors and officers individually.
- (2) Does not include 1,575,000 Common Shares held by Nora Watson, Mr. Watson's spouse.
- (3) Includes 2,524,676 Common Shares held by Targa Group Inc., a company controlled by William David Watson II.
- (4) Held directly and through a holding company.
- (5) Member of Compensation and Corporate Governance Committee.
- (6) Member of Audit Committee.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Company acting solely in such capacity.

Profiles of Directors

Set out below are profiles of the directors of the Company including particulars of their principal occupations for the past five years:

WILLIAM DAVID WATSON, *Chairman of the Board of Directors and Vice President, Mergers and Acquisitions*. Mr. Watson was appointed Vice President, Mergers and Acquisitions of the Company, effective November 1, 1999. From October 1993 to November 1999, Mr. Watson was special advisor to Targa Group Inc., a company founded in 1993 as a vehicle for acquiring troubled companies and turning them around with a primary interest in avionics and high technology. Mr. Watson is a graduate of Ryerson Polytechnical Institute.

WILLIAM DAVID WATSON II, *President, Chief Executive Officer and Director*. Mr. Watson became President and Chief Executive Officer of the Company on November 4, 1999. From October 1993 to November 1999, Mr. Watson was President and Chief Executive Officer of Targa Group Inc. Prior to 1993, Mr. Watson was a

tax specialist in public and private practice. Mr. Watson holds a Bachelor of Management Economics from the University of Guelph.

ROBERT E. SHEA, *Director*. Mr. Shea is currently, and for the past forty two years has been, Chairman of Shea Financial Group, a company engaged in the design and funding of executive compensation plans. He is also a director of Silex Ventures, a CBC company trading on the TSX Venture exchange, Highliner Foods, Inc., SolutionInc Technologies, Ltd. and New England Canada Business Council. Mr. Shea has also served on numerous other boards in the past.

GIRVAN L. PATTERSON, *Director*. In 1988, Mr. Patterson co-founded CANAI Inc. (which in 1991 became Plaintree Systems Inc.) and from 1995 through 1999 was the Vice-President of International Sales, and served as the Corporate Secretary of the Company from 1988 to 2001. Currently, Mr Patterson is President of GaN Systems Inc. Mr. Patterson also serves on the board and audit committee of Intertainment Media Inc. (TSXV). In June 2010, Mr Patterson was appointed to the board of directors of the Pearson Peacekeeping Centre. Mr. Patterson was educated at Manchester and Aston University in the United Kingdom and holds a Chartered Engineer designation.

JERRY S. VICKERS, *Director*. Mr. Vickers acts as an independent finance/business consultant (providing services in finance, strategic planning, business development, organizational development, M&A, cash management, compliance/governance and certain senior management roles) to private and public companies since departing Desjardins Securities Inc. in May 2003. Based in Toronto, he was a Vice-President, Investment Banking, Technology Group for Desjardins Securities Inc., an indirect wholly owned subsidiary of Desjardins Mouvement, a financial services conglomerate, from January 2002 to April 2003. From August 2000 through to December 2001, Mr. Vickers was an independent finance/business consultant to private and public companies. He has been a director of private and public companies engaged in technology (software, hardware, internet based technologies) as well as the hospitality industry. He was a Vice-President in Corporate Finance at Groome Capital.com Inc. and Yorkton Securities Ltd. from July 1996 through to July 2000 specializing in new economy companies (i.e. software, hi-tech, telecom, biotech). From January 1990 to July 1996, he was the Director and a Manager of Company Listings at the Toronto Stock Exchange. From July 1985 to December 1989, he was a corporate lender at the CIBC and a senior analyst in Engineering Economics at Bell Canada. Mr. Vickers earned a Master of Arts Degree in Economics from the University of Toronto (1985) and a Bachelor of Arts (Honours) in Economics (summa cum laude) from McMaster University (1982).

HON. JOHN M. BUCHANAN, P.C., Q.C., *Director*. Mr. Buchanan was appointed to the Senate of Canada by the Rt. Hon. Brian Mulroney on September 12, 1990 and retired from the Senate on April 22, 2006. Prior to being appointed Senator, Mr. Buchanan was elected as a Member of the Legislative Assembly in 1967, re-elected in 1970, 1974, 1978, 1981, 1984 and 1988. Senator Buchanan was elected as Premier of Nova Scotia in 1978. He was re-elected in 1981, 1984 and 1988 becoming the third Premier in the history of Nova Scotia to be elected to four consecutive majority terms and the fourth longest serving premier in Nova Scotia. Mr. Buchanan graduated from Mount Allison University in 1954 with a B.Sc Degree and Engineering Certificate. He graduated from Dalhousie University with a LL.B. in 1958 and practised law in Halifax. Mr. Buchanan was appointed Queens Council in 1972 and awarded Doctorates from Nova Scotia Technical College, Mount Allison University, St. Mary's University, St. Francis Xavier University and Universite Ste. Anne. On April 17, 1982, Senator Buchanan was made a member of Her Majesty's Privy Council and in 1979 received the Toastmasters International Communication and Leadership Award. Mr. Buchanan has been an executive member of the Canada-United States Interparliamentary Association for eight years. Mr Buchanan is also Chairman of the Canada-Sweden Parliamentary Association and an Executive Member of the Canada-Taiwan Association. He is married to the former Mavis Forsyth and they have five children.

Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Company, none of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, or during the ten years preceding the date of this Management Proxy Circular has been, a director or officer of any company, including the Company, that, while that person was acting in that capacity:
 - (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; or
 - (ii) was subject to an event that resulted, after the director or proposed management nominee ceased to be a director or executive officer of the relevant company in the relevant company, being the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of the proposed director nominee ceasing to be a director or officer of the relevant company, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (b) has, within the ten years preceding the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Except as listed below, no persons proposed for election as Directors of the Company hold directorships in other reporting issuers:

Name	Directorship Held in Other Reporting Issuers
Girvan Patterson	Intertainment Media Inc.
Robert Shea	High Liner Foods Incorporated SolutionInc Technologies Limited AIM Explorations Limited

4. Ratification, Confirmation and Approval of By-Law 2014-1.

The current general by-law of the Company, being By-Law No. 1 does not address certain amendments to the Canada Business Corporations Act. In addition, other legislation has been enacted in Ontario, which has impacted in the current by-law of the Company. The Board determined that it is in the best interest of the Company to enact new by-laws and on July 30, 2014, the Board repealed the existing By-Law No. 1 of the Company and adopted a new general By-Law No. 2014-1 (“**By-Law No. 2014-1**”). A copy of By-Law No. 2014-1 is attached to this Circular as Appendix “B”.

Among other things, new By-Law No. 2014-1 includes provisions to allow the Company to communicate with its shareholders electronically. Shareholders are urged to review the new By-Law No. 2014-1 in its entirety, attached hereto as Appendix “B” to this Circular. By-Law No. 2014-1 was approved by the board of directors on July 30, 2014 and is in effect until it is confirmed, confirmed as amended or rejected by shareholders at the meeting, and if confirmed or confirmed as amended, the new By-Law No. 2014-1 will continue in effect in the form in which they were so confirmed. If shareholders reject the confirmation of new By-Law No. 2014-1, the former By-Law No. 1 will become effective again, as of the date of the Meeting (and not retroactively).

By-Law No. 2014-1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meeting, signing authorities, the appointment of officers, the description of the officers’ duties, the establishment of committees of the board of directors, the authority of persons to contract on behalf of the Company and similar matters.

Accordingly, shareholders will be asked at the Meeting to approve the following resolution ratifying, confirming and approving By-Law No. 2014-1:

“BE IT RESOLVED THAT:

1. By-Law No. 2014-1 of the Company in the form made by the board, being a by-law to amend By-Law No. 1-2011 of the Company, is hereby confirmed; and
2. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this resolution.”

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RESOLUTION CONFIRMING BY-LAW NO. 2014-1, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

PARTICULARS OF OTHER MATTERS

Management knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxy will be voted upon such matters in accordance with the best judgment of the person voting the proxy.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

For any matter that a person entitled to vote at an annual meeting proposes to raise at the next annual meeting, the Company must receive a proposal in respect thereof, as prescribed by law, at least ninety (90) days before the anniversary date of the accompanying notice of meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out elsewhere in this Circular, none of the directors or senior officers of the Company, no Management nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting except to the extent that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Company and with the exception that directors, officers and employees of the Company may be granted stock options.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Management Proxy Circular, a “**Named Executive Officer**” (as defined in Form 51-102F6 under NI 51-102) or “**NEO**” means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Company;
- (b) a chief financial officer (“**CFO**”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the financial year ended March 31, 2014 whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the year ended March 31, 2014; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at March 31, 2014.

During the financial year ended March 31, 2014, the Company had three (3) Named Executive Officers: William David Watson II, President and Chief Executive Officer, Lynn Saunders, Chief Financial Officer, and William David Watson, Chairman and Vice President Business, Mergers and Acquisitions.

The objective of the disclosure set out below is to communicate to shareholders the compensation arrangements the board of directors intended the Company (“**Board of Directors**” or “**Board**”) to pay to its President and Chief Executive Officer and directors for the financial year ended March 31, 2014, to provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and to inform shareholders as to how decisions about executive compensation matters relating to the Company are made.

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company has not yet established a formal compensation program. On advice from time to time given by the Compensation and Corporate Governance Committee, the Board of Directors meets to discuss and determine compensation for the President and Chief Executive Officer, without reference to formal objectives, criteria or analysis. The President and Chief Executive Officer of the Company is responsible for determining the compensation arrangements for the balance of the employees, including other senior management, of the Company. The Compensation and Corporate Governance Committee is currently comprised of two

independent directors, namely Jerry Vickers and Girvan Patterson, and William David Watson II, the President and Chief Executive Officer of the Company.

Each Compensation and Corporate Governance Committee member has a general business background, senior management experience and involvement with other companies (see their biographical information appearing elsewhere in this Circular under the heading “**Election of Directors**”) which is relevant to his responsibilities as a member of the Compensation and Corporate Governance Committee.

The responsibilities, powers and operation of the Compensation and Corporate Governance Committee are set out in its written charter. The Compensation Committee is generally responsible for, among other things:

- reviewing and making recommendations to the Board of Directors with respect to the appointment, compensation and other terms of employment of the President and Chief Executive Officer;
- reviewing and making recommendations to the Board of Directors with respect to the Company’s compensation principles, policies and plans for the President and Chief Executive Officer;
- reviewing and making recommendations to the Board of Directors with respect to the compensation arrangements for members of the Board of Directors;
- reviewing, administering and interpreting equity-based compensation plans and making recommendations to the Board of Directors with respect to the grant of compensation thereunder;
- providing risk oversight of the Company’s compensation policies and practices and identifying and mitigating compensation policies and practices that could encourage inappropriate or excessive risk taking by the President and Chief Executive Officer; and
- reviewing and approving certain compensation disclosures prior to their public release.

The Compensation and Corporate Governance Committee has the ability to consult as needed with outside compensation consultants and/or advisors when reviewing the compensation program for the President and Chief Executive Officer of the Company.

The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value; (b) align management’s interests with the long term interest of shareholders; (c) provide a compensation package that is commensurate with other companies that are in the same industry as the operating divisions of the Company (Electronics and Specialty Structures) to enable the Company to attract and retain talent; and (d) to ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that its is a venture issuer without a long history of positive earnings.

Role of Executive Officers in Compensation Decisions

The Board, as a whole, following receipt of recommendations from the Compensation and Corporate Governance Committee, ensures that the total compensation paid to the President and Chief Executive Officer, is fair and reasonable. The Board relies on the experience of Company management and its members as officers and directors of other companies in assessing compensation levels. The President and Chief Executive Officer of the Company is responsible for ensuring that total compensation paid to the other employees, including

senior management, of the Company is fair and reasonable. The President and Chief Executive Officer of the Company is also a member of the Compensation and Corporate Governance Committee.

Compensation-related Risks

The Board of Directors provides regular oversight of the Company's risk management practices with respect to compensation policies and practices, and to identify and mitigate compensation policies and practices that could encourage inappropriate or excessive risks by the President and Chief Executive Officer. The Compensation and Corporate Governance Committee has reviewed the risks associated with the Company's compensation policies and practices for its President and Chief Executive Officer and has not identified any risks from the Company's compensation policies or practices that are likely to have a material adverse effect on the Company. The Compensation and Corporate Governance Committee and the Board of Directors have concluded that the Company has policies and practices to ensure that the President and Chief Executive Officer does not have incentives to take inappropriate or excessive risks, including the following:

- an appropriate mix of fixed and variable compensation is employed;
- the Board of Directors and the Compensation and Corporate Governance Committee have discretion to determine the amount, if any, of awards pursuant to the Company's variable short-term incentive programs, with awards historically only being made out of the Company's operating profits;
- annual incentive awards are not determined until the completion of the audit of the Company's consolidated annual financial statements by the Company's independent auditors;
- the Company has an organizational culture of prudent risk-taking with a practice of promoting from within the organization; and
- the Compensation and Corporate Governance Committee is comprised of a majority of independent directors.

Analysis of Elements

Certain of the Named Executive Officers have received bonus payments during fiscal 2014 while others have deferred a significant portion of their salary. Reference is made to the "Summary Compensation Table" set out below.

The Company generally considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to directors, officers, consultants and employees at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan (the "**Stock Option Plan**") and are determined by the Board as a whole.

No changes are presently being considered for the Company's compensation policies and practices in fiscal 2015.

Long Term Compensation and Option Based Awards

The Company has no long term incentive plans other than the Stock Option Plan. The Company's directors, officers, consultants and employees are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the Named Executive Officer and the Board with shareholders by linking a component of executive compensation to the longer term

performance of the Company's common shares. Options are granted by the Board of Directors. In monitoring or adjusting the option allotments, the Board takes into accounts its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Name Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Stock Option Plan;
- the exercise price for each stock option granted;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The board of directors reviews and approves grants of options on an annual basis and periodically during a financial year.

Pursuant to the Company's Stock Option Plan, the Company's Board of Directors grants options to directors, officers, consultants and employees as incentives. The level of stock options awarded to a Named Executive Officer (as defined below) is determined by his or her position and his or her potential future contributions to the Company. The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the trading price of the common shares of the Company on the Canadian National Stock Exchange (CNSX) at the time of the grant of the option.

No stock options were granted to the Named Executive Officers during the fiscal year ended March 31, 2014.

Summary Compensation Table

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial years ended March 31, 2014, 2013 and 2012 in respect of the NEOs. For the information concerning compensation related to years prior to fiscal 2012, please refer to the Company's previous Management Proxy Circulars available at www.sedar.com.

Name and Principal Position	Fiscal Year	Salary ⁽¹⁾ (\$)	Share-based Award (\$)	Option-based Award ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽³⁾ (\$)	Long-term Incentive Plans			
William David Watson II, President and Chief Executive Officer	2014	200,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	200,000
	2013	200,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	200,000
	2012	200,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	200,000
Lynn Saunders, Chief Financial Officer	2014	100,000	Nil	Nil	20,000	Nil	Nil	Nil	120,000
	2013	100,000	Nil	506.39	5,000	Nil	Nil	Nil	105,000
	2012	100,000	Nil	953.35	10,000	Nil	Nil	Nil	110,000
William David Watson, Chairman and VP, Mergers and Acquisitions	2014	150,000 ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2013	150,000 ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2012	150,000 ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	150,000

- (1) This figure includes the dollar value of cash and non-cash base salary each Named Executive Officer earned during the relevant financial year.
- (2) The Company calculated the fair value of the options by using the Black-Scholes option pricing model.
- (3) The amounts in this column consist of cash bonuses paid to Named Executive Officers.
- (4) Such other compensation includes all benefits and perks received by Named Executive Officers that meet the threshold of \$50,000 or 10% of total annual salary.
- (5) During fiscals 2014, 2013 and 2012 most of Mr. Watson II's salary has been deferred. The deferred amounts will be paid once Company resources permit. Until paid, the deferred amounts accumulate interest at a rate of 2% per annum above the prime rate of interest charged by the Company's bankers, compounded monthly. The total amount of the deferred salary plus accumulated interest as at July 31, 2014 is \$2,012,011.
- (6) During fiscals 2014, 2013 and 2012 most of Mr. Watson's salary has been deferred. The deferred amounts will be paid once Company resources permit. Until paid, the deferred amounts accumulate interest at a rate of 2% per annum above the prime rate of interest charged by the Company's bankers, compounded monthly. The total amount of the deferred salary plus accumulated interest as at July 31, 2014 is \$1,773,455.

Long Term Incentive Plan (LTIP) Awards

The Company does not have any long-term incentive plans and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Company to its Named Executive Officers during the year ended March 31, 2014.

An LTIP means “any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Company or an affiliate or the price of the Company’s shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units”.

Incentive Plan Awards

The Company does not have any share-based awards.

The Company currently has in place a stock option plan for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such person with the opportunity to acquire an equity interest in the Company through rights granted under the plan to purchase shares of the Company.

The Stock Option Plan is administered by the board of directors of the Company and provides that a majority of members of the board participating in any decisions as to a grant of options under the Stock Option Plan shall be persons who are not employees of the Company. Options may be granted at any time to any director, officer, service provider or employee (who shall be a full-time salaried) of the Company or its subsidiaries, taking into consideration, among other things, the past, present and potential contribution of a particular director, officer, service provider or employee to the success of the Company, the value of his or her services to the Company and any other factors which the Board of Directors may deem proper and relevant provided that a director to whom any option may be granted may not participate in the discussion of the Board of Directors to grant such option .

Subject to the provisions of the Stock Option Plan, the Board of Directors shall determine the time or times when options shall be granted, the number of Common Shares for which any option may be granted, the option exercise price at which Common Shares may be purchased under any option, the conditions, if any, to be satisfied before any option may be exercised and the expiry date of any option and cause the Company, subsequent to the grant of an option, to enter into an option agreement with each participant evidencing each option granted which shall incorporate such terms as the board of directors in its discretion deems consistent with the Stock Option Plan. The Stock Option Plan provides that the terms and conditions upon which an option is granted need not be the same for each participant.

The maximum term of any option granted under the Stock Option Plan is ten (10) years from the date of grant of the option. However, it is currently the Company’s practice to grant options that expire five (5) years after the date of grant. The expiration of any option is accelerated if the optionee’s employment or cessation of involvement with the Company terminates for any reason, other than for just cause, in which case the unexercised options granted to such optionee immediately terminate. Subject to different arrangements being made between the Company and an individual optionee, the Stock Option Plan provides that the optionee has 90 days from the date of termination, resignation, removal or discharge to exercise all existing options, except in the case of death of an optionee, in which case options may be exercised by the legal representative (or by the person or persons to whom the rights of the optionee have passed by will or operation of law) generally for a period of 180 days from the date of death. Other than on death, the options are non-transferable.

The maximum number of options that may be granted under the Stock Option Plan is 1,200,000, representing 9.3% of the currently issued and outstanding common shares of the Company. In addition, the number of Common Shares which may be reserved for issuance on the exercise of options granted under the Stock Option Plan and granted under any other arrangement to any one individual (including insiders of the Company) shall not exceed 5% of the issued and outstanding Common Shares of the Company (on a non-diluted basis) at the time of the grant.

The exercise price of an option is set by the Board of Directors at the time of grant, based upon the closing price, on the trading market that the Company's shares are then available to be traded or quoted, of the Common Shares on the last trading day prior to the date of the grant. Currently, the Company's Common Shares are traded on the Canadian National Stock Exchange (CNSX). Payment of the exercise price of an option may be made by cash, certified cheque or bank draft. The Stock Option Plan does not provide for any financial assistance to be provided to any optionee to facilitate the purchase of Common Shares.

The Board of Directors may suspend, amend or terminate the Stock Option Plan at any time without notice, provided that no outstanding option is adversely affected thereby unless the affected participant consents to such amendment. The further approval of the Shareholders is required only for amendments that increase the number of shares available for issuance under the Stock Option Plan, that materially increase the benefits accruing to participants, or that materially change the class of persons eligible for the granting of options. As of August 1, 2014, the Company has no issued and outstanding options to purchase common shares as all of the outstanding options expired during fiscal 2014.

Pension Plan Benefits

The Company does not have any deferred compensation plan, pension plan, profit sharing, retirement or other plan that provides for payments or benefits at, following or in connection with retirement.

Termination and change of control benefits

The Company does not have any plan, contract, agreement or plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or a change in the Named Executive Officer's responsibilities, other than as described below.

The Company has written employment agreements with each of its NEOs which provide for the following notice period/payment to be made to the NEO as indicated below on the termination of the employment agreement without cause:

- (a) William David Watson (Chairman and VP Mergers and Acquisitions): twelve (12) months notice.
- (b) William David Watson II (President and Chief Executive Officer): twelve (12) months notice.
- (c) Lynn Saunders (Chief Financial Officer): two (2) months notice
- (d) William Vangool (President Triodetic Division): notice as provided for under the *Employment Standards Act* (Ontario).

Compensation of Directors

The Company has a policy to pay each non-management director the following compensation:

- (a) an annual retainer of \$10,000, paid semi-annually;
- (b) a fee of \$1,000 for each meeting of the board that they are requested by management to be present in person;
- (c) a fee of \$500 for each meeting attended by telephone/conference call;

- (d) for each committee meeting held, a fee equal to \$500 for a committee meeting attended in person that they are requested by management to so attend in person, and \$250 for each committee meeting attended by telephone/conference call.; and
- (e) reasonable expenses incurred in the normal course for board/Company business (i.e. travel and hotel) will be reimbursed by the Company.

The Company currently has six directors, two of which, William David Watson II and William David Watson, are also Named Executive Officers and management directors and are not entitled to director fees. The directors also receive incentive in the form of stock options, at the discretion of the Board of Directors, for serving as directors of the Company. The purpose of the cash fee and the granting of options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to align the personal interest of each of the directors to that of the Shareholders.

Director Compensation Table

The following table sets forth all amounts of compensation earned by the Company's Directors, other than Named Executive Officers who did not receive any compensation for acting as director, for the most recently completed financial year ended March 31, 2014:

Name	Fees Earned (\$)	Share based Awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Robert Shea	\$14,000	NIL	NIL	NIL	NIL	\$14,000
Jerry Vickers	\$14,000	NIL	NIL	NIL	NIL	\$14,000
Girvan Patterson	\$14,000	NIL	NIL	NIL	NIL	\$14,000
John Buchanan	\$13,000	NIL	NIL	NIL	NIL	\$13,000

(1) The Company calculated the fair value of the options by using the Black-Scholes option pricing model.

Securities Authorized for Issuance under Equity Compensation Plans

As of August 1, 2014, there are no equity securities of the Company authorized for issuance pursuant to compensation plans:

Indebtedness of Directors And Officers

As at March 31, 2014, no director, officer, employee, former director, officer and employee of the Company or its subsidiary was indebted to the Company.

MANAGEMENT CONTRACTS

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

The Company does not carry any directors’ and officers’ liability insurance.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), have a written charter which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

The Audit Committee Charter

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Appendix “A” to this Circular.

Composition of Audit Committee

The Company’s audit committee is comprised of three directors, Girvan Patterson, Jerry Vickers and Robert Shea. As defined in NI 52-110, all of the members of the audit committee are “independent”. All three audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore “financially literate”.

Relevant Education and Experience

All of the audit committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their fields of endeavour. See information regarding the background and experience of the audit committee members in “Election of Directors” in the section entitled “Matters to be Decided On”.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Company’s Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approved Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the audit committee, on a case-by-case basis.

Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Exemption in Section 6.1 of NI 52-110

As the Company is a Venture Issuer it is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees (\$)	Audit Related Fees⁽¹⁾ (\$)	Tax Fees⁽²⁾ (\$)	All Other Fees³⁽³⁾ (\$)
2014	84,500	-	56,488	-
2013	84,500	-	21,750	-

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* establishes a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. The National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

The Board of Directors

The National Instrument defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an "independent director" or a "non-independent director", the Board of Directors considers the factual circumstances of each director in the context of the Guidelines.

The Board of Directors is currently comprised of six (6) members, a majority of whom are “independent directors” within the meaning of the National Instrument. The four (4) independent directors are Girvan Patterson, Robert Shea, Jerry Vickers and the Hon. John Buchanan. The remaining two (2) directors are officers and employees of the Company and as such have material relationships with the Company and therefore are not independent.

The Chair of the Board of Directors, William Watson, is not an independent director. The Chair of the Company’s Board of Directors is also the VP, Mergers and Acquisitions of the Company. The Board of Directors considers that this appointment is appropriate and beneficial to the Board of Directors, due to Mr. Watson’s history and experience with the Company and its business and affairs.

The Board of Directors does not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, the independent directors are encouraged to request a meeting without the presence of the non-independent directors if they deem it appropriate.

Board Mandate

The Board of Directors is responsible for the overall stewardship of the Company. The Board discharges this responsibility directly and through delegation, as appropriate, of specific responsibilities to committees of the Board of Directors, the Chair and officers of the Company.

The Board of Directors has established two (2) permanent committees to assist with its responsibilities: (i) an Audit Committee and (ii) a Compensation and Corporate Governance Committee.

Orientation and Continuing Education

Responsibility for orientation programs for new directors is assigned to the Compensation and Corporate Governance Committee. In this regard, the Compensation and Corporate Governance Committee’s duties include ensuring the adequacy of the orientation and education program for new members of the Company’s Board of Directors. The Chair of the Board and/or CEO of the Company reviews with each new member (i) certain information and materials regarding the Company, including the role of the Board of Directors and its committees, (ii) the contribution, including the commitment of time and resources, that each individual director is expected to make, and (iii) the legal obligations of a director of the Company.

The Compensation and Corporate Governance Committee is also responsible for arranging continuing education for directors, as necessary, in order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors.

Ethical Business Conduct

Although the Board of Directors has not adopted a written code of business conduct and ethics, the Board of Directors through open discussion encourages and promotes on an ongoing basis a culture of ethical business conduct.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are approved by the Board of Directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of

the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, the Company's voting securities or who exercises control or direction over the Company's voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of the Company's securities, so long as the Company holds any of its securities.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and www.plaintree.com. Securityholders may contact the Company in order to request copies of the Company's consolidated financial statements at the offices of the Company at 10 Didak Drive, Arnprior, Ontario, K7S 0C3. Financial information about the Company may be found in the Company's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

DIRECTOR'S APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors of the Company. In addition, the foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD

BY: (Signed) "David Watson"
Name: David Watson, President and
Chief Executive Officer

APPENDIX “A” - AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s charter documents and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“**GAAP**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act and the charter documents of the Company.

BY-LAW NO. 2014-1

A by-law relating generally to the
transaction of the business and
affairs of

PLAINTREE SYSTEMS INC.

Contents

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BE IT ENACTED as a by-law of the Corporation as follows:

SECTION ONE
INTERPRETATION

1.01 Definitions. - In the by-laws of the Corporation, unless the context otherwise requires:

“Act” means the *Canada Business Corporations Act*, or any statute that may be substituted therefor, and the regulations to the Act, as from time to time amended;

“appoint” includes “elect” and vice versa;

“articles” means the articles attached to the certificate of amalgamation of the Corporation, as from time to time amended or restated;

“board” means the board of directors of the Corporation;

“by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“Corporation” means the corporation amalgamated under the Act by the said certificate to which the articles are attached, and named “Plaintree Systems Inc.”;

“including” means including, without limitation;

“meeting of shareholders” includes an annual meeting of shareholders and a special meeting of shareholders; and “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;

“prescribed” means prescribed in accordance with the Act; and

“recorded address” has the meaning set forth in section 11.08.

Save as aforesaid, words and expressions defined in the Act, including “distributing corporation”, “electronic document” and “resident Canadian”, have the same meanings when used herein. Words importing the singular number include the plural and vice versa; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

SECTION TWO

BUSINESS OF THE CORPORATION

2.01 Registered Office. - The registered office of the Corporation shall be in the province in Canada from time to time specified in the articles, and at such location therein initially as is specified in the notice thereof filed with the articles and thereafter as the board may from time to time determine.

2.02 Corporate Seal. - The Corporation may, but need not, adopt a corporate seal and if one is adopted it shall be in a form approved from time to time by the board.

2.03 Financial Year. - Until changed by the board, the financial year of the Corporation shall end on the last day of March in each year.

2.04 Execution of Instruments. - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one of the following: by any one person who holds the office of chair of the board, chief executive officer, president, chief financial officer, vice-president, secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by the board. In addition, the board may from time to time direct by resolution the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.05 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 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.

2.06 Voting Rights in Other Bodies Corporate. - The signing officers of the Corporation under section 2.04 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.

2.07 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 its name in legible characters in all places required by law; 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.
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SECTION THREE

BORROWING AND SECURITY

3.01 Borrowing Power. - Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, 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, pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; 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 book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section 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.

3.02 Delegation. - Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by section 3.01 to such extent and in such manner as the board may determine at the time of such delegation.

SECTION FOUR

DIRECTORS

4.01 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 provided in the articles. The board shall consist of not fewer than the minimum number of directors required by the Act for a distributing corporation.

4.02 Qualification. - No person shall be qualified for election as a director if such person is less than 18 years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. Unless the articles otherwise provide, a director need not be a shareholder. The minimum number of directors required by the Act to be resident Canadian shall be resident Canadians. At least such number of directors as may be specified by the Act, other applicable law or stock exchange requirements shall not be officers or employees of the Corporation or of its affiliates.

4.03 Election and Term. - The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors otherwise determine. Where the shareholders adopt an amendment to the articles to increase the number or maximum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Removal of Directors. - Subject to the Act, the shareholders may by resolution passed at a meeting of shareholders specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting, failing which, subject to the Act, it may be filled by the board.

4.05 Vacation of Office. - A director ceases to hold office on death, on removal from office by the shareholders, on ceasing to be qualified for election as a director, on receipt of a written resignation by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later. Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board

4.06 Appointment of Additional Directors. - If the articles of the Corporation so provide, the directors may, within the maximum number permitted by the articles, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

4.07 Action by the Board. - The board shall manage, or supervise the management of, the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.08 and 4.09) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

4.08 Canadian Directors Present at Meetings. - Subject to the Act, the board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least 25 per cent of the directors present are resident Canadians, or if the Corporation has fewer than four directors, at least one of the directors present is a resident Canadian, except where

- (a) a resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic or other communication facility, the business transacted at the meeting; and
- (b) the required number of resident Canadians would have been present had that director been present at the meeting.

4.09 Meeting by Telephone. - Subject to the Act, 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 a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, 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.

4.10 Place of Meetings. - Subject to the articles, meetings of the board may be held at any place in or outside Canada.

4.11 Calling of Meetings. - Meetings of the board shall be held from time to time at such time and at such place as the board, the chair of the board, the chief executive officer, the president or any two directors may determine.

4.12 Notice of Meeting. - Notice of the time and place of each meeting of the board shall be given in the manner provided in Section Eleven to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;

- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities except as authorized by the board;
- (d) issue shares of a series except as authorized by the board;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission for the sale of shares except as authorized by the board;
- (h) approve a management proxy circular;
- (i) approve a take-over bid circular or directors' circular;
- (j) approve any annual financial statements; or
- (k) adopt, amend or repeal by-laws.

4.13 First Meeting of New Board. - Provided 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.

4.14 Adjourned Meeting. - Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 Regular Meetings. - The board may appoint a day or days in any month or months for regular meetings of the board 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.

4.16 Chair. - The chair of any meeting of the board 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, chief executive officer or president. If no such officer is present, the directors present shall choose one of their number to be chair.

4.17 Quorum. - Subject to the articles and subject to section 4.08, the quorum for the transaction of business at any meeting of the board shall consist of two directors or such greater number of directors as the board may from time to time determine.

4.18 Votes to Govern. - At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

4.19 Conflict of Interest. - A director or officer of the Corporation shall disclose to the Corporation, in the manner and to the extent provided by the Act, any interest that such director or officer has in a material contract or transaction, whether made or proposed, with the Corporation, if such director or officer (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Such a director shall not vote on any resolution to approve the same except as provided by the Act.

4.20 Remuneration and Expenses. - 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.

4.21 Resolution in Lieu of Meeting. - A resolution signed in writing by all of the directors entitled to vote on that resolution at a meeting of the board or a committee of the board is as valid as if it had been passed at a meeting of the board or committee of the board. A resolution in writing takes effect on the day on which the last director who is entitled to sign and required to sign the resolution signs it. A resolution in writing may be signed in one or more counterparts and such counterparts taken together shall constitute the same resolution. A counterpart signed by a director and transmitted by facsimile or other device capable of transmitting a printed message is a valid as an originally signed counterpart.

SECTION FIVE

COMMITTEES

5.01 Committees of the Board. - The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

5.02 Transaction of Business. - The powers of a committee of the board may be exercised by 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 Canada.

5.03 Audit Committee. The board shall appoint annually from among its number an audit committee to be composed of not fewer than three directors. At least such number of directors as may be specified by the Act, other applicable law or stock exchange requirements shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act and in other applicable law and in addition, such other powers and duties as the board may determine.

5.04 Advisory Bodies. - The board may from time to time appoint such advisory bodies as it may deem advisable.

5.05 Procedure. - Unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

SECTION SIX

OFFICERS

6.01 Appointment. - The board may from time to time appoint a chief executive officer, a 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 this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to section 6.02, an officer may but need not be a director.

6.02 Chair of the Board. - The board shall from time to time also appoint a chair of the board who shall be a director. The board may also appoint the chair of the board as the chief executive officer. The board may assign to the chair any of the powers and duties that are by any provisions of this by-law assigned to the chief executive officer. The chair shall have such other powers and duties as the board may specify.

6.03 Chief Executive Officer. - The chief executive officer 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 and 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 chief executive officer shall also have the powers and duties of that office.

6.04 President. - The president shall be the chief operating officer and, subject to the authority of the chief executive officer, shall have such other powers and duties as the board may specify. If no chief executive officer is appointed by the board, the president shall be the chief executive officer.

6.05 Chief Financial Officer. - The board may designate one of the officers of the Corporation as chief financial officer of the Corporation and may from time to time revoke any such designation and designate another officer of the Corporation as chief financial officer of the Corporation. The officer designated as chief financial officer shall have such duties and exercise such powers as the board may from time to time prescribe.

6.06 Secretary. - The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat. 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 stamp or mechanical device generally used for affixing the corporate 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, and shall have such other powers and duties as otherwise may be specified.

6.07 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 transactions as treasurer and of the financial position of the Corporation and shall have such other powers and duties as otherwise may be specified.

6.08 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, 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.

6.09 Term of Office. - The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until a successor is appointed or until the officer resigns.

6.10 Agents and Attorneys. - The Corporation, by or under the authority of 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 subdelegate) of management, administration or otherwise as may be thought fit.

6.11 Conflict of Interest. - An officer shall disclose any interest in a material contract or material transaction, whether made or proposed, with the Corporation in accordance with section 4.19.

SECTION SEVEN

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 Limitation of Liability. - All directors and officers of the Corporation in exercising their powers and discharging their duties 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, and without limiting any defences available to a director or an officer under the Act or otherwise, no director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer or employee, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired 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 acts 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 the part of such director or officer, or for any other loss, damage or misfortune which shall happen in the execution of the duties of office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

7.02 Indemnity. - Subject to the Act, the Corporation shall indemnify a director or an officer, 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, and their heirs and legal representatives, 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, if such individual (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 the individual acted as 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 individual had reasonable grounds for believing that the individual's conduct was lawful.

7.03 Advance of Costs. - 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 7.02. The individual shall repay the moneys if the individual does not fulfil the conditions of section 7.02.

7.04 Additional Circumstances. - The Corporation shall also indemnify an individual referred to in section 7.02 in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.05 Insurance. - Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.02 hereof as the board may from time to time determine.

SECTION EIGHT

SHARES

8.01 Allotment of Shares. - Subject to the Act and the articles, the board may from time to time allot 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, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 Commissions. - The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person's 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. The board may, to the extent permitted by the Act, delegate this authority to a committee of directors.

8.03 Registration of Transfers. - Subject to the Act, no transfer of a share shall be registered in a securities register except upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.04 Non-recognition of Trusts. - Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.05 Share Certificates. - Every holder of one or more shares of the Corporation shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgement of such right to obtain a share certificate, stating the number and class or series of shares held by such holder as shown on the securities register. Subject to the Act, such certificates shall be in such form as the board may from time to time approve. Any such certificate shall be signed in accordance with section 2.04 and need not be under the corporate seal. Notwithstanding the foregoing, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers under section 2.04 or, in the case of a certificate which is not valid unless countersigned by or on behalf of a transfer agent and/or registrar and in the case of a certificate which does not require a manual signature under the Act, the signatures of both signing officers under section 2.04 may be printed or otherwise mechanically reproduced in facsimile thereon. Every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.06 Replacement of Share Certificates. - The board or any officer or agent designated by the board may direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, 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.

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

8.08 Deceased Shareholders. - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.09 Transfer Agents and Registrars. - The board may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Corporation issued by it, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to the functions of such person and one person may be designated both registrar and transfer agent subject to any applicable stock exchange requirements. The board may at any time terminate such appointment.

8.10 Record Dates. - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders: (a) entitled to receive notice of a meeting of shareholders; (b) entitled to vote at a meeting of shareholders; (c) entitled to receive payment of a dividend; or (d) for any other purpose, and, unless waived in accordance with the Act, notice of any such record date shall be given within the prescribed period in the manner provided in the Act.

SECTION NINE

DIVIDENDS

9.01 Dividends. - Subject to the Act, 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 issuing fully paid shares of the Corporation. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

9.02 Dividend Cheques. - A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the holder's recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person 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.

9.03 Record Date. - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If no date is so fixed, the record date for the determination of the shareholders entitled to receive payment of any dividend or for such other purposes shall be at the close of business on the day on which the directors pass the resolution relating thereto.

SECTION TEN

MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings. - Subject to the Act, the board shall call an annual meeting of shareholders: (a) not later than 18 months after the Corporation comes into existence; and (b) subsequently, not later than 15 months after holding the last preceding annual meeting but no later than six months after the end of the Corporation's preceding financial year. The annual meeting of shareholders shall be held for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings. - The board shall have power to call a special meeting of shareholders at any time.

10.03 Place of Meetings. - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in Canada if the board shall so determine. A meeting of shareholders may be held at a place outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. A shareholder who attends a meeting of shareholders held outside Canada is deemed to have agreed to it being held outside Canada except when the shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held. A meeting held pursuant to section 10.05 shall be deemed to be held at the place where the registered office of the Corporation is located.

10.04 Participation in Meeting by Electronic Means. - Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

10.05 Meeting held by Electronic Means. - If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

10.06 Notice of Meetings. - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section Eleven within the prescribed period to each director, to the 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 vote at the meeting. Notice of a meeting of shareholders called for any

purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

10.07 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, within the time period required by the Act. If a record date for notice of the meeting is fixed pursuant to section 10.08, the shareholders listed shall be those registered at the close of business on such record date. If no record date for notice 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 meeting shall be deemed to be a list of shareholders.

10.08 Record Date for Notice. - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders entitled to vote at a meeting of shareholders and notice of the record date shall be given within the prescribed period in the manner provided by the Act. 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 immediately 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.

10.09 Meetings Without Notice. - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors 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. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or duly represented, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.10 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, the chief executive officer, 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.

10.11 Persons Entitled to be Present. - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws 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.

10.12 Quorum. - Subject to the Act in respect of a majority shareholder, a quorum for the transaction of business at any meeting of shareholders shall be two persons present, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

10.13 Right to Vote. - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders entitled to vote at a meeting of shareholders and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If a record date for voting is fixed, the Corporation shall prepare, within the time period required by the Act, an alphabetical list of shareholders who are entitled to vote as of the record date that shows the number of shares held by each shareholder. If no record date for voting is fixed, the Corporation shall prepare, within the time period required by the Act, an alphabetical list of shareholders who are entitled to vote as of the record date determined under the Act that shows the number of shares held by each shareholder. Each shareholder whose name appears on the list prepared as aforesaid is entitled to vote the shares shown opposite their name at the meeting to which the list relates.

10.14 Proxyholders and Representatives. - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, to attend and act as the shareholder's representative 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 executed by the shareholder or the shareholder's attorney authorized in writing and shall conform with the requirements of the Act. The Corporation shall recognize any individual authorized by a resolution of the directors or governing body of a body corporate or association to represent it at a meeting of shareholders and such 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 such 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.

10.15 Time for Deposit of Proxies. - The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, excluding Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or if, no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting.

10.16 Joint Shareholders. - If two or more persons hold shares jointly, any one of them present 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 or represented and vote, they shall vote as one the shares jointly held by them.

10.17 Votes to Govern. - At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

10.18 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 thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote, subject to any provision of the Act restricting the ability of a proxyholder or alternate proxyholder to vote by way of show of hands where such person has conflicting instructions from more than one shareholder. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be prima facie proof 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 said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. Any vote referred to in section 10.17 and this section 10.18 may be held, subject to and in accordance with the Act, partly or entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility. Any person participating in a meeting of shareholders under section 10.04 or 10.05 and entitled to vote at that meeting may vote, subject to and in accordance with the Act by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

10.19 Ballots. - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such 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 prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon 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 upon the said question.

10.20 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 shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest 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.

SECTION ELEVEN

NOTICES

11.01 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 articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given, subject to any provisions in the Act regarding certain types of communications or documents, if delivered personally to the person to whom it is to be given; if delivered to the person's recorded address or if mailed to such person at such recorded address by prepaid ordinary mail; if sent to such person at such recorded address by any means of prepaid transmitted or recorded communication; or by providing an electronic document subject to and in accordance with the Act. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication or by providing an electronic document shall be deemed to have been given when dispatched or delivered for dispatch. A notice so delivered shall be deemed to have been received when it is personally delivered; a notice so mailed shall be deemed to be received at the time it would be delivered in the ordinary course of mail and a notice so sent shall be deemed to have been received on the day it is transmitted. 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 the secretary to be reliable.

11.02 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 such persons shall be sufficient notice to all of them.

11.03 Computation of Time. - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

11.04 Undelivered Notices. - If any notice given to a shareholder pursuant to section 11.01 is returned on two consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until informed in writing by the shareholder of a new address.

11.05 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 thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.06 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 such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to the name and address of such person being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

11.07 Waiver of Notice. - Any shareholder, proxyholder, director, officer, auditor or member of a committee of the board, or any other person entitled to receive notice of a meeting of shareholders or any other notice from the Corporation, may at any time waive any notice, or waive or abridge the time for any notice, required to be given to such person under the Act, the articles, the by-laws or otherwise, and such 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 such 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.

11.08 Interpretation. - In the by-laws, “recorded address” means: in the case of a shareholder, the address as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, the latest address as shown in the records of the Corporation.

11.09 Electronic Documents. - A requirement under these by-laws that a notice, document or other information be provided in writing may be satisfied by providing an electronic document and a requirement under these by-laws for a signature or that a document be executed, in relation to an electronic document, may be satisfied, in each case, if the requirements in the Act in respect thereof are met.

SECTION TWELVE

EFFECTIVE DATE AND REPEAL

12.01 Effective Date. - This by-law shall come into force when made by the board in accordance with the Act.

12.02 Repeal. - All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law 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 (as defined in the Act) or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

The foregoing by-law was made by the directors of the Corporation on the 30th day of July, 2014, and was confirmed without variation by the shareholders of the Corporation on the 11th day of September, 2014.

Secretary